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THEATRE FACTS80

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Group, Inc.

New York

THEATRE COMMUNICATIONS GROUP, INC. is the national service organization for the nonprofit professional theatre. Founded in 1961, TCG provides more than 25 artistic, administrative and informational programs and services to almost 200 resident, experimental, ethnic and other nonprofit professional theatres throughout the United States, as well as to independent theatre artists, technicians and administrators. TCG provides a forum for the profession and a resource for the media, funding agencies and the public.

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FOREWORD

Ruth Rothschild Mayleas
Former Director, Theatre Program
National Endowment for the Arts

For the better part of a decade the TCG Survey has helped the American theatre to look at where it is, where it has been and where it may be going. As major institutions celebrate 30th anniversaries and TCG looks to its 20th, we become more aware of the institutional theatre's history and the economic forces which shaped each succeeding decade. I've been asked to review this period and to share, through personal interviews with artistic and management leaders, some immediate and long-range economic concerns, those issues which may profoundly affect the theatre of the future.

The '50s saw the beginning of what came to be known as the resident professional theatre, the beginning of decentralization and the creation of permanent producing organizations with continuity of purpose and leadership. It also witnessed the flowering of a vital Off Broadway movement which, though unconnected to the resident theatre effort, shared many of its values and was as well an alternative to the existing commercial structures; ultimately it led to the development of institutional theatres in New York City.

By the end of the decade resident theatres had gained sufficient strength to attract the notice of the Ford Foundation which launched its first major theatre grants in 1959. By virtue of their impact and matching requirements these grants stimulated local attention and support. In the '60s, as the nonprofit professional theatre concept was further defined, other national foundations entered the picture. This was the period of greatest numerical growth, the era in which most of our institutional theatres came into being, and a strong experimental theatre flourished in New York.

It was in the '60s too that theatres with political and social orientation emerged out of the social ferment of that time. A federal program, the National Endowment for the Arts, was born amid much fanfare in mid-decade; it had little money but held lots of promise, at least in the minds of needy artists and institutions. Many of the fledgling theatres looked upon it as the eventual, if not immediate, solution to their economic problems. At nearly the same times, William J. Baumol and William G. Bowen in their Performing Arts -- The Economic Dilemma soberly pointed out, to those who would listen, the ongoing economic problems faced by dance, music, opera and theatre. Overall, it was a time of growth, of hope, of naivete and wishful thinking.

Growth in the nonprofit theatre -- which had by then become a many faceted phenomenon including regional theatres, experimental groups, Off and Off-Off Broadway, minority theatres, summer theatres and playwright development programs -- continued far into the '70s, even through periods of recession and increasing inflation. Institutions became well established assets to their communities, fund-raising and marketing techniques became highly sophisticated, government funds on federal and state levels increased appreciably as did local private sector support, corporate support became a factor to be reckoned with. But national foundations were turning away, to social and educational causes for the most part. The Ford Foundation in its 1974 report, The Finances of the Performing Arts issued dire warnings on the enormity of future needs for arts institutions.

By the end of the '70s the greatly enlarged constituency of theatres (and other arts organizations) was offsetting any measurable gains in appropriations from state and federal governments -- it was a much larger pie, but cut into many more slices. Whereas arts philanthropy in the '60s was concerned with "innovation," "access" was the buzz word of the '70s and theatres were encouraged to tour and develop outreach programs. In the latter half of the decade inflationary pressures grew more and more severe until, by the beginning of the '80s, a no-growth situation seems imminent, if it has not already arrived. Current trends reported in the TCG Survey indicate a diminution in the role of foundation and federal government support as well as a decline in the growth of earned income as disposable income shrinks. A recent New York Times article asks "Where Have All the Patrons Gone?" and who has replaced them?

Facing the '80s one ponders the various survival theories and wonders who will prove the fittest. Will the fittest be the best? Is this to be an era in which real growth is denied? Will the legitimate concerns of management outweigh concerns of art? What is the price of existence -- smaller and smaller productions at higher and higher ticket prices? Will ways be found to retain mature artists and develop new talent? These are some of the questions discussed with Zelda Fichandler, Richard Foreman, Gordon Davidson, M. Burke Walker, Sara O'Connor and Gerald Krone.

There was considerable, though not unanimous, good feeling about the present condition of their institutions on the part of those interviewed. The work is strong, houses are full, audiences are loyal and enthusiastic, theatres are well run and financially stable. There is grave apprehension, however, about the immediate future.

The single most important issue facing these artists and administrators is programmatic and artistic growth. At Washington, D.C.'s Arena Stage an exciting and enormously fertile program called "In the Process," recently ended when the foundation grant that supported it was phased out. (The trouble with foundation giving in general, says Producing Director Zelda Fichandler, is that it is based on programmatic variety rather than on a theatre's long-range needs.) Arena will always be

concerned with new work and will find new ways of doing it, but the demise of this program is a real loss. Rapidly expanding costs without new financial development create other problems. Next season, for the first time, Arena will not be able to do as many large plays. For a director so deeply concerned with shaping the repertoire, this is a major issue. Fichandler has never before let financial pressures influence repertoire, but now she finds no other choice. If one looks back, the economic effect on production has already been felt: In 1967 Arena's The Great White Hope was done with 62 actors and 237 costumes. That production would be impossible today, says Fichandler. In looking ahead to the time when the present group of senior actors leave, she sees no one to replace them; there are not many mature actors now who want to commit to a company. Even if there were $40,000 salaries available (or the equivalent of that figure in the mid-'80s) it would be hard, but she would like the chance to try at that level.

The Mark Taper Forum's "New Theatre for Now" program ended several years ago, also due to the phasing out of a foundation grant. Though Gordon Davidson, the Taper's Artistic Director, found other methods to produce new work, including a lab series and shorter runs of new plays within the regular season, the Taper is still seeking (in vain thus far) funds for the creation of a medium-sized space to accommodate those new works which can command audiences, but require an intimate environment. At present, according to Davidson, new play activity for work that is unsuited to the main stage has dwindled because it is too costly -- full productions in a 99-seat laboratory theatre are simply not economically feasible. In other vital growth areas, the Taper has not been able to increase actor salaries or institute an extra week of rehearsal. This year the theatre has been helped greatly by the income from Children of a Lesser God, but that can't be counted on to continue indefinitely or to be repeated. Davidson says that even before inflation theatres were underbudgeted, the low level of actor salaries being only a most obvious example. They are constantly engaged in playing catch-up, and inflation has only exacerbated an already difficult situation. As to where the necessary extra funding should come from, Davidson doesn't see anything in the history of federal grant programs to indicate that this kind of larger support will come from government. In his own case, he feels he must turn to untapped resources in the community.

The Empty Space in Seattle faces another kind of growth problem. Having achieved its goals of company development and good management, the theatre must go from its present 99-seat house to a larger facility. Performance runs have already been extended, and the theatre is sold out. Artistic Director Burke Walker is confident that Empty Space can meet the budgetary requirements of operating in a bigger performance facility, in spite of the current inflationary economy which is making it harder to obtain contributed income, but he is concerned about capital funding prospects due to tight money, high interest rates and competition among institutions -- in Seattle the four major theatres either are already or are about to be engaged in capital campaigns. If the need for a new facility is not met, it will mean a radical change in this theatre's projected operation and in its future.

In Milwaukee, the Rep -- which is among the most stable theatres in the country due to a well-subscribed house and a strong united arts funding organization -- has developed a unique international program based on strong connections with individual artists and companies and involving exchanges of both. Not just a frill, this activity is intrinsic to the artistic life of this theatre, bringing it unusual contemporary material and stimulating the resident company and the community alike. Most of the international program has been paid for through various government sources, though there has been some private local money raised and a good deal of staff time expended. But greatly increased government funding is needed, says Sara O'Connor, the Rep's Managing Director, if this important aspect of the theatre's work is to continue and expand. She does not feel that international exchanges can be the responsibility of the private sector whose more appropriate role is support at the local level. O'Connor believes that government aid is necessary for international programming, not just for the Milwaukee Rep to whose future it is vital, but for other theatres as well. Individual and company exchange in both directions is, she believes, essential for our theatre's artistic growth.

For the Negro Ensemble Company, the'80s will be a crucial period. Having only recently developed a board of directors and added an essential underpinning of managerial and financial stability to its distinguished artistic achievement, the theatre must fight hard to keep what it has gained. Black theatre -- indeed, much minority theatre -- has the same problems as white theatre, only more so. In areas of audience development, fund-raising, sophisticated management techniques and, most important of all, the development of a repertoire, it has the disadvantage of a much later start. For the NEC a financial crunch -- which entails a tightening up of the private sector and comes just at the moment when the company is working hard to enlarge that source of support -- could seriously jeopardize its future. Gerald Krone, the theatre's Managing Director, is also concerned about the results of increasing institutionalization: the focus of time and energies on the raising of monies just to maintain the institutional structure, to the point where there is little left for the production of plays. As for government funds, presently the major source of the NEC's support, Krone does not see them as increasing sufficiently to meet the company's growing needs. He also noted that the high concentration on minority causes which characterized much '60s and early '70s philanthropy in the private sector helped minority art -- the NEC was founded in 1967 -- but that era appears to be over.

For the avant-garde artist -- or at least for Richard Foreman -- there is not today nor has there been in the past enough money to sustain the work; there is no living to be made in creating adventurous experimental theatre. Knowing this, Foreman set up his own Ontological-Hysteric Theater with non-actors (mostly visual artists) and was able to function with limited means. Now that he is no longer interested in working with nonprofessionals, his pieces are best done in coproduction with another institution (like the New York Shakespeare Festival, the scene of his current work) which can supply not only a space but necessary support

services. Foreman sold his own theatre because he wanted the freedom to work in new environments. For the rest, and for both financial and artistic sustenance, he works in Europe -- and he directs at other theatres in the United States. In this country the Ontological-Hysteric Theater's support has been almost entirely governmental (National Endowment and New York State Council on the Arts) and, though generous by our standards, it is not enough to work on the scale which is possible in Europe. Ideally, Foreman would like to have a home institution, funded for that purpose, to support his activities. He would like to see some mechanism, preferably governmental, to facilitate coproduction (or some financial relationship) between his European and American work. He feels there should be more flexibility in government programs so that recognized artists, including those who work in more than one medium, have direct access to funds for their projects. An independent artist who doesn't have the responsibility of running a theatre, Foreman believes that adverse circumstances can be useful as they compel one to look at things in new ways, a view which may not be so readily shared by his institutional colleagues.

It has been pointed out by theatre leaders in the past that a relatively small infusion of new money to prime institutions could make a vast difference in their quality. Zelda Fichandler feels strongly that now, in contrast to 10 or 15 years ago, the mature theatres know how to spend money well. They know what the priorities are; they have become sophisticated; and they have the maturity, wisdom and understanding that come from knowledge and experience. Fichandler believes that this crucially important money has to come from government; she does not see from where else it might come.

It might be noted here that some years ago a plan for significant new funding of theatres of national influence or impact was developed by the National Endowment's Theatre Program. It was designed to address the major needs of institutions of demonstrated quality, vision and leadership. However, no action was taken on it by the National Council on the Arts. Perhaps it is time for this notion to surface again.

If there is a crunch -- and by that is meant a significant reduction of funds in the private and/or public sector that lead to a widening gap between expenses and income, and perhaps a falling-off of audiences as well -- who will, or who should, survive? Sara O'Connor feels that we are headed for a tight time which will require intelligence and good planning, especially to encourage the artistic development of the best of the newer groups. We must guard against letting viable artistic entities vanish while only the shrewdly managed survive. A related view is expressed by Burke Walker who believes that the survivors will be, on the one hand, the established major institutions and, on the other, the economically marginal, those which can exist on the proverbial shoestring. A lot of good art could be lost in between. In most danger are the middle-sized groups, especially those which are at a crucial stage of development and must go forward at an accelerated pace. Echoing this, but with a somewhat different emphasis, is Gerald Krone's comment that not only may the artistically important but economically

marginal groups fail to survive, but, in their search for economic stability and survival, they may lose the artistic qualities that made them significant in the first place. And Fichandler observes that a severe shortage of funds could cause institutions to dwindle away, cutting their programs drastically in the interests of survival.

Obviously there are no quick and easy answers to the problems the theatre -- and indeed all the arts -- may face in the '80s. As we enter what could be a difficult and challenging period it may be appropriate to call for a reexamination of federal policy in the arts. While recognizing its mandate to support a wide range of artistic activity, can the federal government also play a leadership role in the support of excellence?

As Theatre Facts 80 states, unearned income has leveled off. The compounded growth rate of foundation support over five years is only 3%. Individual contributions have leveled off. National Endowment support is down by almost 23% from last year's level. Since our contributions system is based on diversity of support, and the funding partnership lacks a senior partner, the theatres appear to be on their own. In seeking multiplicity and diversity of support, there are no constants. Perhaps theatres have been told to go in too many directions at the same time. Perhaps they have to individually and collectively reevaluate priorities and focus their attention and resources on specific targets. It may be time, as former Arts Endowment Chairman Nancy Hanks once said, "To keep plodding and start plotting."

OVERVIEW

It is difficult, if not impossible, to begin a new decade without some curiosity about changes occurring over time. In many ways, 1980 seems to be a particularly significant landmark for the nonprofit professional theatre in America in that a few of the pioneering institutions such as the Arena Stage, the Alley Theater and the Circle in the Square have reached their 30th anniversary and many of the companies founded in the early 1960s are reaching their full maturity. To take the pulse of the performing arts in this country and to measure changes, the Ford Foundation began an exhaustive financial and statistical survey in 1966 which laid the foundation for The Finances of the Performing Arts, a major report on the economic condition of nonprofit performing arts in 1970. In 1973, TCG began data collection related to the financial and production activity of the nonprofit professional theatre for annual analysis and publication in the TCG Survey report. Before examining the 1980 findings, it may be of interest to compare some of the earlier findings with the current information.

The Ford Foundation report includes a universe of 27 theatre companies, of which 16 are included in TCG's 1980 Control Group of 30 theatres with budgets over $500,000. The survey universes are not identical; however, the general make-up and nature of the two groups are sufficiently comparable to look at the percentage distributions of earned income, unearned income and expenses. In doing so, the inescapable conclusion seems to be "le plus ca change, le plus c'est la meme chose."

	% of Expenses	
Income	1970	1980
Total Earned Income	65.9%	67.6%
Total Unearned Income	33.4%	33.9%
NEA Program Funds	4.5%	4.6%
State Arts Agency Funds	2.8%	3.1%
City/County Funds	.5%	1.7%
Individuals	8.7%	5.7%
Corporations	2.1%	3.4%
Expenses		
Total Salaries & Fees	62.5%	57.0%
Royalties	2.8%	2.4%
All Other Expenses	34.7%	40.6%

It is perhaps important to be grateful that the percentage of earned and unearned income from most sources has kept pace at 1970 levels through 1980, considering that dollar amounts have changed from $19.5 million to $54.4 million. In 1970, however, there was a sense that the institutional theatre was really just aborning. It was reasonable to expect the existing institutions to prove their mettle by earning two-thirds of expenses; however, there was an assumption that the earnings burden would eventually become similar to that of opera companies and symphony orchestras, 54% and 52% respectively in 1970. Yet in 1980, theatres are not enjoying a greater measure of contributed assistance. They have been forced to earn more. The 10-year comparison is at odds with suggestions that individual, corporate, city, state or federal giving has shouldered an increased percentage of support for the professional theatre in America. In other words, in a decade of enormous theatrical expansion and achievement in the United States, little or no recognition of that fact has been seen in the overall distribution of income, in spite of a simultaneous growth in philanthropic activity, particularly in the public sector. There are fluctuations, of course, from year to year among the various income categories, and these are important to examine, but the question of how to wrench the financial structure of the theatre in a direction which permits new and important growth remains.

Another significant and related issue also remains, which is the unmeasured financial contributions of theatre artists and craftsman, themselves, to the economic viability of the art. Recent NEA findings show, for example, that the average annual income for actors in 1970 from work in the theatre was only $5,900. The report suggests that this condition remained unchanged through 1976. By subsisting on marginal incomes (derived largely in many instances from non-theatre related jobs), actors, directors, playwrights and designers are seen to be the real "patrons" of the art. The Ford Foundation report recognized this fact: "In performing arts groups, the survival instinct is strong, or just short of being -- like the arts themselves -- unextinguishable. Few of the groups that started out in this survey did not stay the full six-season course, but for others there were seasons that closed without clear assurance that another would open. Whenever that was the prospect, the craft of arts management showed its skills. New contributors were uncovered, costly corners were cut, payments deferred, loans arranged, savings invaded, bonds surrendered, endowments diminished. If everything helped, nothing cured. Seasons were lengthened, and salaries raised. But the claim that went unuttered by anyone wise was that in the performing arts the performers were accumulating wealth."

The talent drain from theatre to the more lucrative mediums of film and television should surprise no one. Artistic growth and professional compensation of theatre artists go hand in hand. To make the point, it can be suggested that the extraordinary cost of legal and accounting services can be drastically reduced by asking lawyers and certified public accountants to accept annual incomes of $5,900 from their practices and take other part-time jobs to survive.

Like certain other occupations, theatre is a labor-intensive industry. Hamlet cannot be properly staged with only three actors or one week of rehearsal. Restoration comedy is not apt to be satisfying if the performers appear in jeans and sweatshirts. The Cherry Orchard's point is not likely to be felt when staged in front of a brick wall. In front of the proscenium arch, there is a finite number of seats to offer for a fixed number of performances. When all the chairs are filled, productivity cannot be further increased. None of this is "news", but it is still entirely possible to overhear audience conversations in the lobby of Arena Stage or The Guthrie Theater which question the price of tickets or the need for donations. It is still not fully apprehended that even at current ticket prices theatre-goers are only paying 40-60% of their way. It is still entirely possible to attend Congressional hearings on Endowment appropriations and find a lack of understanding about the givens of the art. (Not too many years ago, one congressman asked an outside witness why theatres could not perform in stadiums and thereby increase the audience!)

Education must go on at all levels. Turning back to the Ford Foundation report, two different sets of speculations were made about the future of federal and state appropriations for the arts. An optimistic set of assumptions in the 1974 Ford report pegged the NEA 1980-81 budget (FY 81) at $290 million. All things being equal, support to the 27 major theatres in the Ford survey would now be $13.2 million, rather than the current level of $2.5 million. A conservative set of assumptions also contained in the Ford report established a projected fiscal year 1981 budget for the Endowment of $123 million, which is not very far off the mark of the actual $133 million appropriated for program and treasury funds. Again with all things being equal, the 27 theatres could expect to receive 4.6% of this amount, or $5,675,000. In 1980, the 30 theatres in the large budget group studied in the TCG Survey received just $2,450,000 or 2.1% of the appropriated program and treasury funds. As Ruth Mayleas records in the foreword, the voices of the profession are united in their concern, not only for survival, but for the difference between subsistence and full achievement. The difference between the $2.5 million and $5.7 million has had very real consequences. On the state and local government level, the Ford report projected a conservative 1980-81 figure of $3.4 million in grants to the 27 theatres. This compares to $2.7 million provided by state and local government sources (excluding CETA funds) to the 30 theatres in the 1980 TCG Survey. In that these funds are closer to the forecasted mark, it is possible to infer that funding priorities have changed less on the state level than on the federal level.

Individual experiences and circumstances must, of course, be examined, but, if the recent trend of diminishing percentages of federal support (from 6% in 1976 to 4.6% in 1980) persists, it raises interesting questions for the future about where to focus advocacy efforts.

HIGHLIGHTS

The Survey Universe: 147 Theatres

- Total income of 147 theatres was $113.6 million in 1980.
- Total attendance at home and on tour was almost 14.2 million.
- More than 42,000 performances were given of 2,400 productions.
- These theatres provided paid employment to a total of 14,556 individuals.
- Professional actor work-weeks totalled 71,754 with related salaries of $19.1 million.

Control Group I: 30 Theatres with Budgets over $500,000

- Earned income experienced virtually no growth for this group in 1980, a substantial departure from previous experience of annual increases ranging from 16% to 27%.
- The larger-budget theatres experienced total financial growth of just 4.6% between 1979 and 1980, down substantially from the 24% growth in 1979.
- TCG's data, for the first time, shows that when 1980 income is adjusted for inflation there has been a substantial reduction in the purchasing power of total income.
- Federal support, primarily from the National Endowment for the Arts, decreased by almost 23% for this group.
- State contributions increased by 39.3%.
- Among all unearned income sources, gifts from individuals continue to play the greatest role; however, the rate of growth slowed considerably from almost 18% in 1978 to less than 3% in 1980.
- While ranked only fifth among direct sources of support, corporate contributions showed the highest compounded growth rate over five years at 27.4%, with a gain of 33.5% in 1980.

Control Group II: 30 Theatres with Budgets under $500,000

- The smaller budget theatres experienced financial growth in 1980 at a rate of 19.8%, down from prior rates ranging from 22% to 31%.

- Earned income increased by almost 24%.

- Unearned income increased by only 17%, compared to previous growth rates ranging from 20% to 38%.

SURVEY UNIVERSE

A Contemporary Theatre
The Academy Theatre
The Acting Company
Actors Theatre of Louisville
Actors Theatre of St. Paul
Alabama Shakespeare Festival
Alaska Repertory Theatre
Alice People Theatre
Alley Theatre
Alliance Theatre Company/
Atlanta Children's Theatre
AMAS Repertory Theatre
American Conservatory Theatre
The American Place Theatre
American Repertory Theatre
American Stage Festival
American Theatre Arts
American Theatre Company
Arena Stage
Arizona Theatre Company
Arkansas Repertory Theatre
Asolo State Theater
Attic Theatre
BAM Theater Company
Barter Theatre
Berkeley Repertory Theatre
Berkeley Stage Company
The Billie Holiday Theatre
BoarsHead Theater
Body Politic Theatre
Boston Shakespeare Company
Center Stage
The Children's Theatre Company
The Cincinnati Playhouse in the
Park
Circle in the Square
Circle Repertory Company
The Cleveland Play House
Colonnades Theatre Lab
The Cricket Theatre
CSC Repertory
Dallas Theater Center
Dell'Arte
Denver Center Theatre Company
Detroit Repertory Theatre
East West Players
El Teatro Campesino
The Empty Space
Ensemble Studio Theatre
Fairmont Theatre of the Deaf
The First All Children's Theatre
Florida Studio Theatre
Folger Theatre Group
Free Public Theatre Festival L.A.
Free Street Theater
George Street Playhouse
Germinal Stage Denver
GeVa Theatre
Goodman Theatre
The Great-American Children's
Theatre Company
The Great Lakes Shakespeare Festival
The Guthrie Theater
Hartford Stage Company
The Hippodrome Theatre
Honolulu Theatre for Youth
Horse Cave Theatre
The Independent Eye
Indiana Repertory Theatre
INTAR
Interart Theatre
Intiman Theatre Company
Invisible Theatre
The Iron Clad Agreement
Jean Cocteau Repertory
The Julian Theatre
The Living Stage Theatre Company
Long Wharf Theatre
Looking Glass Theatre
Loretto-Hilton Repertory Theatre
Los Angeles Actors' Theatre
L.A. Theatre Works (formerly known
as Actors In Prison and Other
Places)
Lovelace Theatre
The Magic Theatre
Manhattan Theatre Club
Mark Taper Forum
McCarter Theatre Company
Meadow Brook Theatre
Medicine Show Theatre Ensemble
Milwaukee Repertory Theater Company
Missouri Repertory Theatre
Music-Theatre Performing Group/
Lenox Arts Center
National Black Theatre
The National Shakespeare Company
The Nebraska Theatre Caravan

The Negro Ensemble Company
New Dramatists
New Jersey Shakespeare Festival
New Playwrights' Theatre
New York Shakespeare Festival
North Light Repertory Company
Old Globe Theatre
Omaha Magic Theatre
One Act Theatre Company of
San Francisco
O'Neill Theater Center
Oregon Shakespearean Festival
PAF Playhouse
Palisades Theatre
The Paper Bag Players
Pennsylvania Stage Company
People's Theatre
Performance Community
The Performance Group
Philadelphia Drama Guild
Phoenix Theatre
Pittsburgh Public Theater
The Play Group
Players State Theatre
Playhouse on the Square
Playmakers Repertory Company
Playwrights' Center
Playwrights Horizons
Portland Stage Company
Provisional Theatre
The Road Company
Roadside Theater
Seattle Repertory Theatre
Soho Repertory Theatre
South Coast Repertory
Stage One: The Louisville
Children's Theatre
StageWest
Starry Night Puppet Theatre
Steamboat Repertory Theatre
The Street Theater
Studio Arena Theatre
Syracuse Stage
Theatre Arts of West Virginia
Theatre by the Sea
Theater for the New City
Theater of the Open Eye
Theatre Project Company
Theatre X
Travel Light Theatre
Trinity Square Repertory Company
Victory Gardens Theater
Virginia Museum Theatre
Wayside Theatre
Williamstown Theatre Festival
Worcester Foothills Theatre Company
Yale Repertory Theatre

THE SURVEY UNIVERSE

Theatre Facts 80 surveyed 147 nonprofit professional theatres with annual operating budgets ranging from $100,000 to $6.5 million. Some of these companies have been in existence for more than 30 years and others for only three seasons. Recognizing the disparities within the entire universe, two control groups of 30 theatres have been isolated for detailed examination. However, it is important to recognize the vitality of the field by looking at some of the aggregates.

TABLE 1

1980 Finances (147 Theatres)

Earned Income	$ 67,333,000
Unearned Income	46,229,000
Total Income	113,562,000
Total Expenses	113,593,000
Total Deficit	(31,000)

Given the economic uncertainty prevailing in the nation at this time, it is astonishing that the combined deficit was just $31,000. As discussed later in this report, the low deficit figure reflects very sound financial planning throughout the field.

Actual deficits for the year were incurred by 62 of the 147 institutions in amounts ranging from $500 to $280,000; however, on balance, the gap between income and expenses was held to minimal levels. Nine theatres balanced their budgets, and a surplus position was achieved by 76 theatres in amounts ranging from $100 to $500,000. No clear pattern is evident from the data regarding deficit or surplus positions in relation to budget size, longevity or geographic location. Earnings for the entire survey universe constituted almost 60% of expenses, continuing to give evidence of the two-thirds/one-third rule of thumb between earned and contributed revenue. In 1980, NEA grants to these 147 theatres amounted to $4.9 million or 4.3% of the combined operating expenses.

These theatres are based in 77 cities in 35 states and the District of Columbia. The highest concentration of the survey universe is in the Northeast, with 35 of those located in New York State. California, with 17 companies, has the second largest concentration, followed by Illinois, Massachusetts, Pennsylvania and Florida.

TABLE 2

1980 Regional Breakdown of Theatres

Region	State (Number of Theatres)	Number of Theatres
Northeast	CT (4), MA (6), ME (1), NH (2), NY (35), RI (2)	50
Midwest	IL (7), IN (1), KY (4), MI (4), MN (5), MO (3), NE (2), OH (4), WI (3)	33
West	AK (1), CA (17), CO (3), HI (1), OR (1), WA (4)	27
Mid-Atlantic	DC (4), MD (1), NJ (3), PA (6), VA (3), WV (1)	18
Southeast	AL (1), AR (1), FL (6), GA (2), NC (1), TN (3)	14
Southwest	AZ (2), OK (1), TX (2)	5
Total		147

A list of all participating theatres by geographic area is provided in Appendix A.

In addition to serving audiences in their own communities, 87 of these theatres extended their reach to other audiences by offering in-state touring productions, and 62 reported out-of-state tours. Overall, audiences in 49 of the 50 states were served by resident and touring productions from these 147 companies. International tours were conducted by 14 of the respondents, offering performances in Australia, Bermuda, Canada, England, France, Hong Kong, Ireland, Israel, Italy, the Netherlands and Scotland.

The total attendance for touring productions of these theatres was almost 5.5 million.

The production data from 146 theatres in the survey shows that they collectively offered 1,852 productions during the year, of which 1,633 were newly mounted, for a total of 38,885 performances. Productions on the mainstages of these theatres totalled 844, and the remainder consisted of second stage, children's and workshop productions. An additional 540 booked-in events were presented by 58 of the theatres for 3,224 performances. The total attendance for all events in 1980 exceeded 14 million.

TABLE 3

1980 Touring

In-State	Total	Number of Theatres
Number of Performances	7,527	87
Number of Sites	2,057	
Out-of-State		
Number of Performances	2,449	62
Number of Sites	1,050	
International		
Number of Performances	276	14
Number of Sites	20	

Almost 675,000 people constituted the subscription audience at 108 of the theatres, committing themselves to regular attendance at all events throughout the season.

TABLE 4

1980 Attendance and Production Data

Attendance	14,178,185	(146)
# Subscribers	672,341	(108)
# Performances	42,109	(146)
# Productions	1,852	(146)
# Booked-in Events	549	(58)

Total paid employment among 146 respondents in 1980 was 14,556 people, and another 11,089 individuals volunteered time and skill in the administration and creation of the work. Among 127 of the respondents, 5,460 paying jobs were provided for actors, comprising 71,754 actor work-weeks. Some were employed for full seasons and others for only a few weeks during the rehearsal period and run of a single play.

The findings of the National Endowment for the Arts Research Division's report on Artists Compared by Age, Sex, and Earnings in 1970 and 1976, which suggests a 1976 median salary for theatre artists at $5,900, certainly demonstrates the fact that it is the artists who provide the real subsidy in the American theatre. Until audiences and funding sources fully grasp this fact, significant changes are unlikely to occur. Audiences, critics and funding sources rarely ask whether the work is as good as financial circumstances will allow. Absolute

yardsticks tend to be used. Without being apologists for the work, ways must be found to inform the public of the financial position of theatre artists and how that affects the theatre's ability to secure and retain mature professionals.

TABLE 5

1980 Labor Force (146 Theatres)

Personnel	Administrative	Non-Acting Artistic	Actors	Technical	Total
Season	1,701	510	983	1,401	4,595
Jobbed In	949	2,077	4,477	2,458	9,961
Total Paid	2,650	2,587	5,460	3,859	14,556
Volunteers	7,020	273	2,325	1,471	11,089
Total Labor	9,670	2,860	7,785	5,330	25,645

CONTROL GROUP I PARTICIPANTS

A Contemporary Theatre
Alliance Theatre Company/
Atlanta Children's Theatre
American Conservatory Theatre
American Place Theatre
Arena Stage
Arizona Theatre Company
Asolo State Theater
Center Stage
Cincinnati Playhouse in the Park
Circle in the Square
Cleveland Playhouse
Dallas Theater Center
The Guthrie Theater
Hartford Stage Company
Indiana Repertory Theatre
Long Wharf Theatre
Loretto-Hilton Repertory Theatre
Mark Taper Forum
McCarter Theatre Company
Meadow Brook Theatre
Milwaukeee Repertory Theater Company
Old Globe Theatre
Philadelphia Drama Guild
Phoenix Theatre
Pittsburgh Public Theater
Seattle Repertory Theatre
South Coast Repertory
StageWest
Studio Arena Theatre
Trinity Square Repertory Company

CONTROL GROUP I: 30 LARGER THEATRES

Thirty theatres with annual operating budgets over $500,000 have consistently reported detailed financial and production activity to the TCG Survey since 1975. The accumulated data from these institutions provides a basis to examine statistical patterns over periods of time, and by doing so to relate the financial activity of the nonprofit professional theatre to the trends of the nation's economy. In this chapter, both current and constant dollars are discussed. Constant dollars are used as a measurement of the value of money in relation to a base year and the consumer price index for intervening years. Adjusting to constant dollars is necessary to observe changes which have occurred other than inflation. Figures are also discussed in relation to a compounded growth rate (CGR) which is a means of examining change through an average annual rate of growth over the five-year period studied.

The tables below reveal the total financial activity of the 30 theatres in Control Group I and the percent change from year to year. For the five-year period studied, the compounded growth rate of expenses in current dollars was 14.5% and the compounded growth rate of income exceeded the increase in expenses slightly at 15.6%. When adjusted to constant dollars, the increase in expenses is only 4.4%, and the rise in income is 5.4%. The adjusted compounded growth rate illustrates the fact that the net change in economic circumstances for the nonprofit theatre since 1975 has been minimal at best.

TABLE 6

Total Income & Expenses
(Control Group I)

In thousands

	1976	1977	1978	1979	1980
Earned Income	21,030	24,408	28,374	35,942	36,186
Total Expenses	32,259	36,405	42,496	51,195	53,552
Gap	(11,230)	(11,997)	(14,122)	(15,252)	(17,366)
Unearned Income	10,809	11,071	13,518	16,015	18,175
Total Income	31,839	35,479	41,892	51,958	54,361
Surplus/Deficit	(420)	(926)	(604)	763	809

TABLE 7

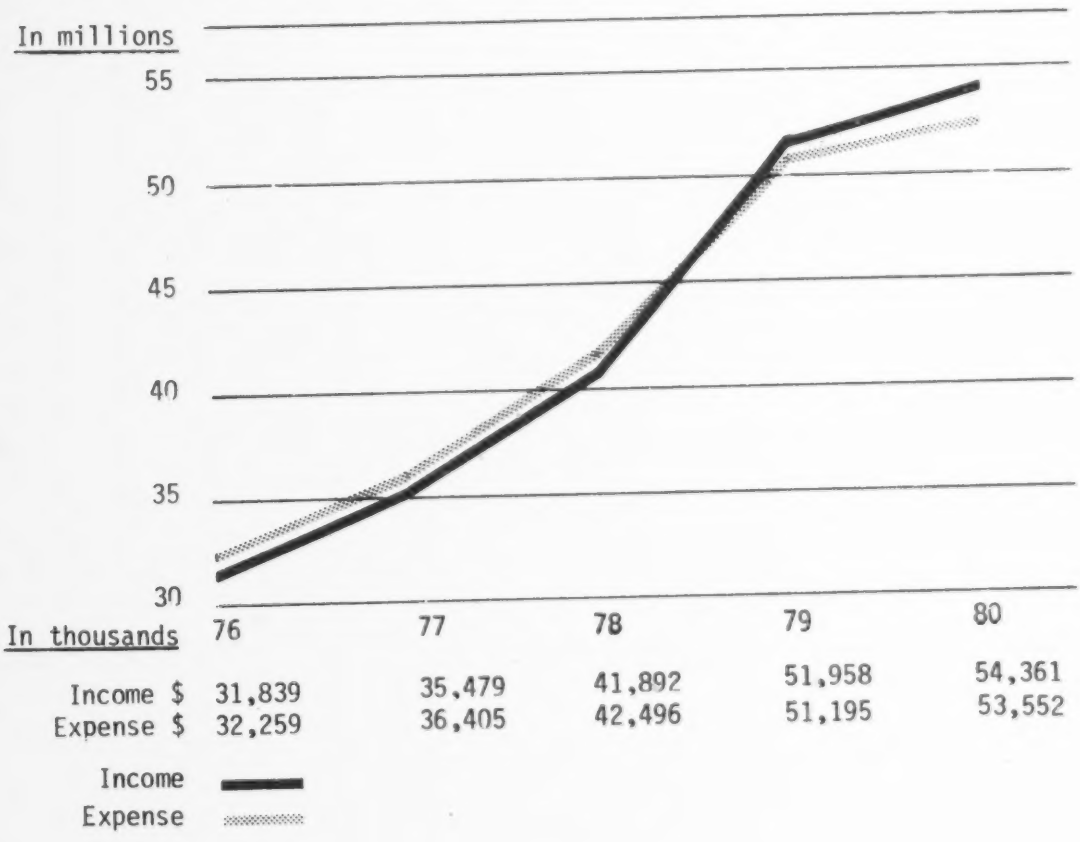
Percent Changes in Income & Expenses
(Control Group I)

In percents

	1975-6	1976-7	1977-8	1978-9	1979-80	CGR 76-80
Earned Income	18.6	16.1	16.3	26.7	.7	15.9
Total Expenses	19.6	12.9	16.7	20.5	4.6	14.5
Unearned Income	11.6	2.4	22.1	18.5	13.5	15.1
Total Income	16.1	11.4	18.1	24.0	4.6	15.6

FIGURE A

Comparison: Total Income & Total Expense
(Control Group I)



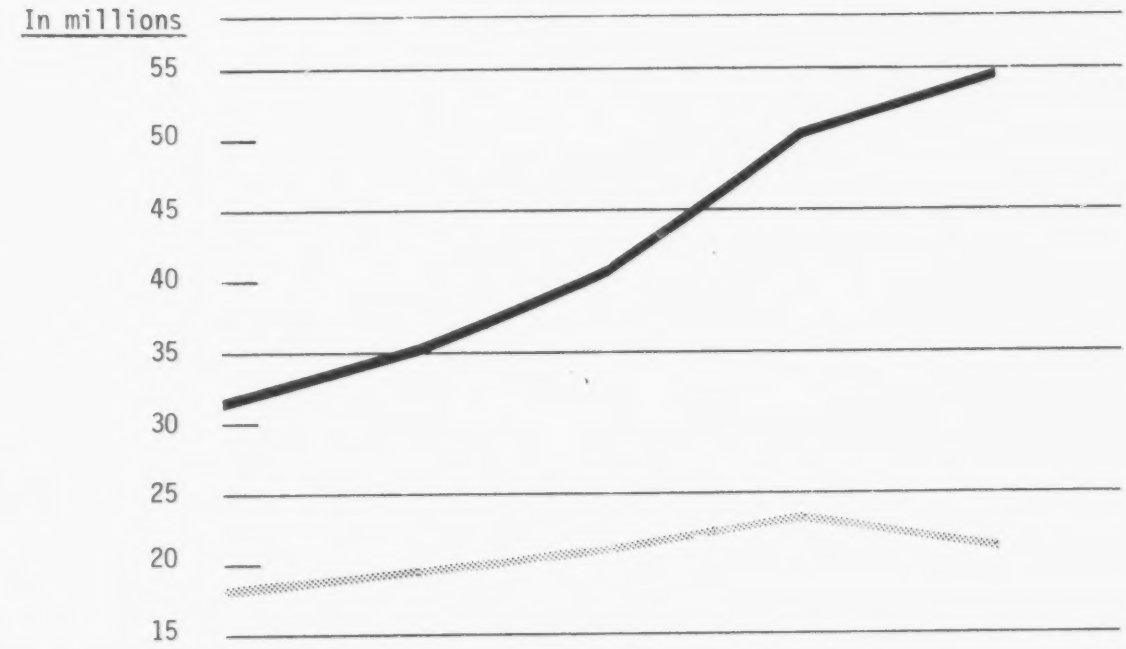
During the five years examined here, it is apparent that the growth curve for 30 large theatres leveled off significantly in 1980. The record-high increase of earned income experienced in 1979 fell off dramatically in 1980 to less than 1%. While this may be due in part to the uncertain state of the American economy, it is, in all likelihood, an indication that a ceiling on earnings has almost been reached, that many of these institutions are playing to almost full capacity within their respective communities. Substantial increases for earned income in the future may depend on either an expansion of income-producing activities or an escalation of ticket prices.

The figures suggest a very conservative attitude on the part of theatre managements toward growth and development during the 1980 season. Through 1979, the growth of expenses was substantially ahead of the corresponding pattern for inflation, suggesting both quantitative and qualitative gains in programming. The 4.6% change of expenditures between 1979 and 1980 indicates holding the line on budgets in anticipation of difficult economic times ahead. The identical percent change between total income and expenses indicates considerable board and management attention to the general economic environment. Consolidation and stabilization are further indicated by the change from an overall deficit to a surplus position beginning in 1979 and increasing in 1980. The accumulation of cash reserves and endowments is both healthy and essential, but further curtailment of program growth may be cause for future concern. A rate of growth in current dollars which falls substantially below the rate of inflation is unquestionably a deteriorating position.

When the effect of the national economy is introduced by adjusting the figures in relation to the consumer price index, it is apparent that, while the growth curve of current dollars started to level out for income in 1979, the actual buying power of these institutions actually declined to 1978 levels. Through 1979, both current and constant dollars experienced real growth with respect to total income; however, despite the gains in current dollars, the income could not keep pace with the tremendous rate of inflation. This is the first time the TCG Survey has observed a fundamental difference between the relative change in current and constant dollars in the field, and it is particularly significant to note. There has long been a sense that theatres are having to run harder to stay in the same place. Continuing efforts to improve marketing and fundraising activities are an observable fact, but, if the current downward tendency of buying power prevails among these institutions, it is quite possible to forecast future reductions in their programs and services. If, as it appears, a ceiling has been reached on earned income, a major new influx of contributed funds will be required to retain current program levels. The costs for labor, goods and services will unquestionably increase in the immediate future, and for many the diminishing buying power may mean offering fewer productions for longer runs, smaller cast plays, fewer fully mounted productions, cutbacks in community services and accumulating deficits.

FIGURE B

Total Income: In Current & Constant Dollars
(Control Group I)



In thousands	76	77	78	79	80
Current $	31,839	35,479	41,892	51,958	54,361
Constant $	18,608	19,430	21,297	23,682	21,920
CPI	171.1	182.6	196.7	219.4	248.0

Current
Constant

FIGURE C

1980 Income & Expense Distribution
(Control Group I)

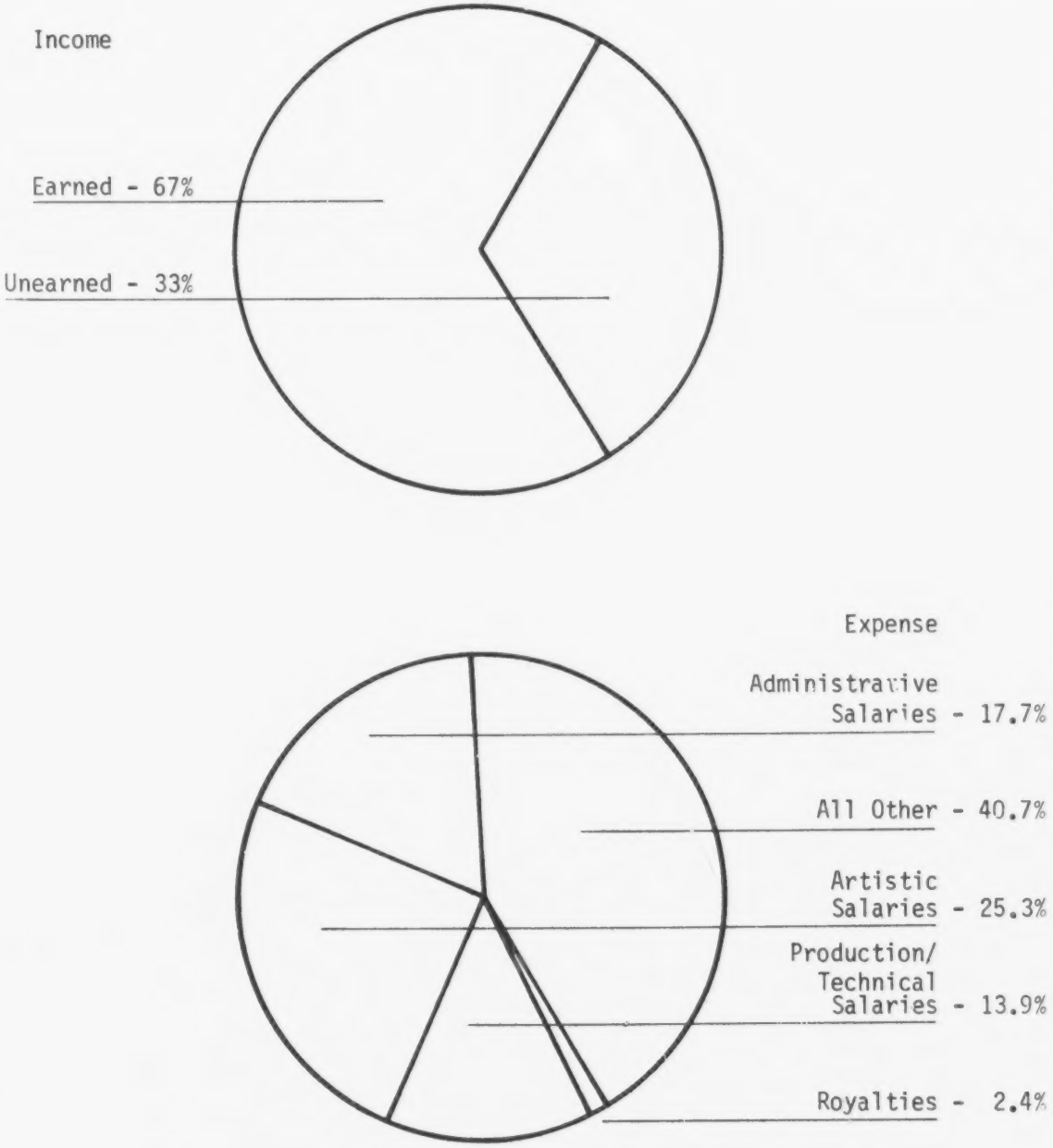
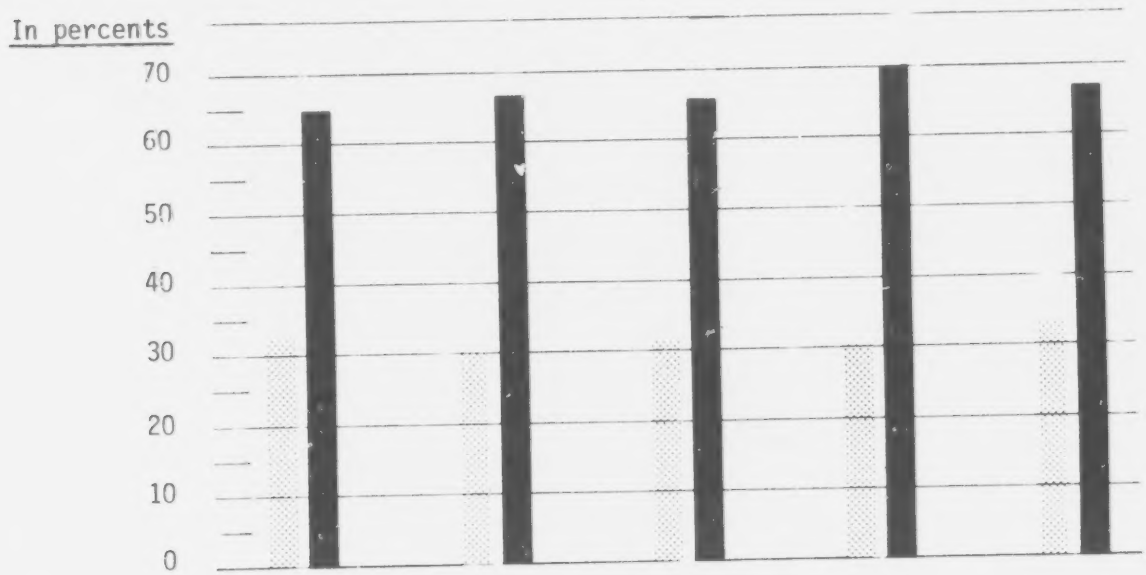


FIGURE D

Comparison: Earned & Unearned Income as a Percent of Expenses



In percents	76	77	78	79	80
Earned	65.2	67.1	66.8	70.2	67.6
Unearned	33.5	30.4	31.8	31.3	33.9
Total	98.7	97.5	98.6	101.5	101.5

Earned

Unearned

Continuing to look at the most general economic trends of the field, Figure D illustrates the relationship of earned and unearned income as a percent of expense between 1976 and 1980. Through 1979 earned income tended to cover an increasing percent of total expenses, while unearned income reflected a downward tendency in relation to these institutions' total expenses. In 1980, both changed direction at a rate of approximately 2.5 percent. These changes suggest that fundraising efforts were substantially increased in 1980, and bears out the widely reported phenomenon that total philanthropic giving is inclined to increase during recessionary periods. The subsequent sections in this chapter on earned and unearned income identify some of the specific contributing factors related to this change.

Figure E further illustrates the changes which occurred in 1980 in regard to earned and unearned income. Total grants and contributions to theatres in Control Group I have steadily increased each year since 1976, while earnings appear to have reached a plateau in 1979. This is a fundamental change in the economic structure of the nonprofit professional theatre, and it is the first time that the TCG Survey has observed little appreciable difference in the compounded growth rates for earned and unearned income, with both hovering between 15% and 16% (see Table 7).

FIGURE E

Comparison: Earned & Unearned Income
(Control Group I)

In thousands	76	77	78	79	80
Earned $	21,030	24,408	28,374	35,942	36,186
Unearned $	10,809	11,071	13,518	16,015	18,175

Earned
Unearned

EARNED INCOME

Total earned income for theatres in Control Group I experienced virtually no growth in 1980. From 1976 to 1979, earnings had grown at annual rates ranging from 16% to 27%. The 1979 high of 27% provides a startling backdrop to the less than 1% growth in 1980. Earnings can also be examined in relation to the percent of total expenses they cover. From 1976 through 1979 there was a more or less consistent increase of earnings as a percent of total expenses to 70.2% In 1980, this figure dropped back to 67.6%.

TABLE 8

Earned Income
(Control Group I)

$ in thousands

	1976	1977	1978	1979	1980
Subscriptions	9,811	10,571	12,389	14,477	15,405
Single Tickets	6,640	8,129	9,245	12,913	10,994
Touring	909	1,408	1,451	1,406	2,059
Educational	902	1,141	1,318	1,504	1,976
Booked-In Events	1,165	1,173	1,597	2,238	1,934
Other	1,603	1,986	2,374	3,404	3,818
Total	21,030	24,408	28,374	35,942	36,186

TABLE 9

Percent Change in Major Earned Income Categories
(Control Group I)

In percents

	1975-6	1976-7	1977-8	1978-9	1979-80	CGR 76-80
Subscriptions	39.3	7.8	17.2	16.9	6.4	12.9
Single Tickets	-2.4	22.4	13.7	39.7	-14.9	15.8
Touring	75.4	54.9	3.0	-3.1	46.4	17.8
Educational	13.7	26.6	15.5	14.1	31.4	20.3
Booked-In Events	-6.0	.7	36.1	40.1	-13.6	18.0

These changes in income distribution can be viewed in a number of ways. As already noted, a general slow-down in the rate of increase for earnings should not, of itself, be surprising. Some theatres now enjoy audiences of close to 100% capacity. They have not only filled the house, but in many cases they have increased the size of the house and the number of performances offered. So, over the years, earnings have been maximized in many ways. With fixed capacities, there is obviously a limit to the

amount of earned income which can be generated without unusual increases in ticket prices or reductions in the subscription ticket discounts. For institutions which strive to be accessible to all income segments of their communities, this is not an appropriate alternative.

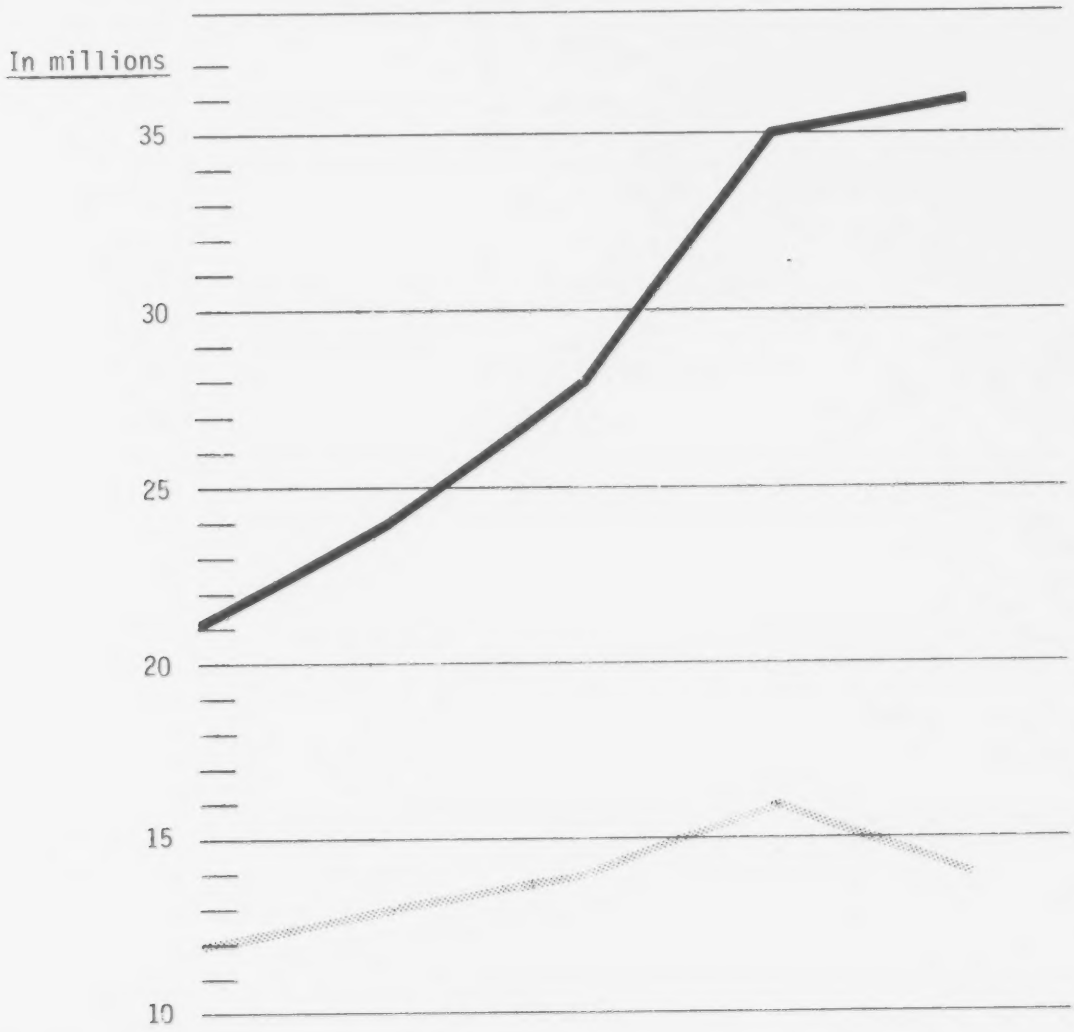
The extraordinary change, however, cannot be fully interpreted as a sign of theatres reaching the peak of the earnings potential. Either the reality or the perception among the public of a shrinking disposable income has undoubtedly taken its toll on the ability of these theatres to secure greater audiences at this time. In conversations with representatives of constituent theatres, TCG has been hearing, for example, that subscribers are beginning to purchase less expensive seat locations or to shift nights from the higher priced weekend performances to mid-week dates. If the real and psychological factors of the present inflationary spiral persist, it will be necessary to increase advertising budgets and expand marketing activities to stave off any erosion of the currently solid audience base.

The decrease of earnings as a percent of total expense can also be viewed in positive and negative ways. Anything which inhibits artistic and institutional development is clearly undesirable. Lack of growth in total budget prevents enhancement of ongoing programs and services and denies movement in new directions. While the total pie must increase, the slice represented by earnings is perhaps already too large. It is generally recognized that the arts should challenge the imagination and provoke thought, and great works that have survived from the past have been known sometimes to offend the popular taste of their times. Increasing reliance on box-office revenues and related earnings undermines the ability of the institutional theatre to take risks and to explore issues and performance styles which may not be readily understood or accepted by a mass audience. As is readily apparent, the American commercial theatre has become reliant on work which has been developed in the nonprofit sector precisely because the economics of the box office offer no room for untested material. Further, the necessity to continually maximize earnings deflects the theatres' energies from the demands of aesthetic concerns. The turning tide from earnings to contributions can be regarded as a healthy phenomenon when seen in this light -- as long as sources of unearned income can be developed to fill the widening earning gap.

Thus, the fundamental problems illuminated by the 1980 data for earned income are the need for solidification of the large audience base and identification of new and increased unearned income to both maintain current programs and create new opportunities for greater development. It is, of course, very easy to point a finger in a certain direction and say, "This is the way." As outlined in the discussion of unearned income later in this chapter, the rate of growth in contributions as a percent of total expenses has not changed substantially over the last five years. The 1980 growth rate is 13.5% over 1979, which is only slightly ahead of the 12.7% inflationary increases reported for the national economy. To offset any substantial decreases in earnings as a percent of total expenses, unearned income will need to experience

FIGURE F

Earned Income: In Current & Constant Dollars
(Control Group I)



In thousands	76	77	78	79	80
Current $	21,030	24,408	28,374	35,942	36,186
Constant $	12,291	13,367	14,425	16,382	14,591

Current
Constant

a greatly accelerated rate of growth in the future. If not, a return to accumulated deficits and a reduction of programs and services are inevitable.

TICKET INCOME

TABLE 10

Comparison: Box-Office & Other Earned Income
(Control Group I)

$ in thousands

	1976	1977	1978	1979	1980
Box Office	16,451	18,700	21,634	27,390	26,399
Other Earned Income	4,579	5,708	6,740	8,552	9,787
Total	21,030	24,408	28,374	35,942	36,186

TABLE 11

Box-Office & Other Earned Income as Percent of Total Income
(Control Group I)

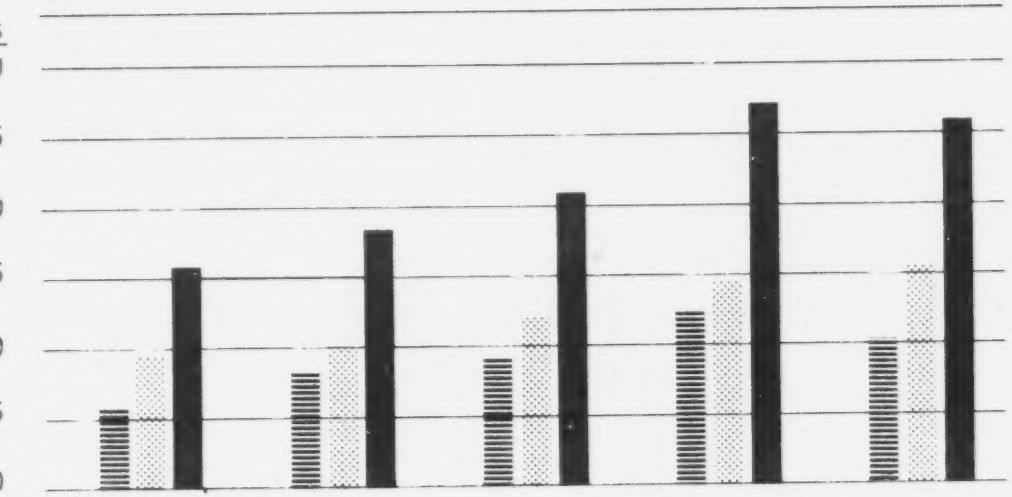
In percents

	1976	1977	1978	1979	1980
Box Office	78.2	76.6	76.2	76.2	73.0
Other Earned Income	21.8	23.4	23.8	23.8	27.0

As a rule of thumb, box-office receipts (excluding booked-in events) have constituted approximately three-fourths of all earnings for Control Group I during the five years examined. As a percent of total earned income, however, there has been a slight downward tendency in the overall role of ticket income. The aggregate of other earned income has experienced a correspondingly small increase. These figures suggest the theatres' increasing awareness of other income-producing activities, including booked-in events, concessions, educational programs and touring, as well as a sufficiently solid institutional base to staff and administer such additional programs and services. The ability to reach more people with a greater variety of services is commendable, but there are at least two dangers associated with further movement in this direction. One is the possibility of spreading artistic and administrative resources too thinly, and the other is deflecting the focus on the primary artistic mission to the point where ancillary projects become "a tail which wags the dog."

FIGURE G

Comparison: Subscription & Single Ticket Income
(Control Group I)



In thousands	76	77	78	79	80
Subscriptions	9,811	10,571	12,389	14,477	15,405
Single Tickets	6,640	8,129	9,245	12,913	10,994
Total	16,451	18,700	21,634	27,390	26,399

Subscriptions
Single Tickets
Total

In his popular book, SUBSCRIBE NOW!, TCG's Audience Development Consultant, Danny Newman describes the single-ticket buyer as both slothful and fickle, that is, someone who shows up only for the hits or on special occasions. The data from Control Group I participants support this notion. In the 1979 TCG Survey, the tremendous increase in income from single-ticket sales was noted. This year, a 15% decrease in single-ticket income is evident. Given 8 - 14% increases in ticket prices in 1980, a percentage drop-off in the number of buyers is observable. The national economy, no doubt, played a significant part in this decline; however, there are too many marketing variables to draw any firm conclusions here. Subscription income has experienced annual growth over the five years between 1976 and 1980. The annual rate of growth has varied during this time, with a 39% high in 1976 and a 6% low in 1980. The minimal growth of subscription income in 1980 is even more alarming when examined in relation to early reports for 1981 subscription campaigns. A recent survey conducted by the League of Resident Theatres shows 40% of their member institutions to have experienced a decline in the number of subscribers. While the deceleration of subscription income growth corresponds to the decline in single-ticket sales, the relative changes in the two categories indicate that the subscribed audience has greater commitment to remain in the market during periods of economic difficulty.

TOURING INCOME

Touring revenues for theatres in Control Group I increased by 46.4% in 1980 from 1979 levels (see Table 9). Among the 20 theatres reporting tour revenues in 1980, the total was $2,059,414, with an average of $102,971. These figures can be compared to 19 theatres reporting such income in 1979 with an average of $74,019 per theatre.

Touring of mainstage productions is a relatively new activity for nonprofit, professional theatres in the U. S., begun in the mid-'70s largely at the behest of state and regional arts agencies and the Theatre Program of the National Endowment for the Arts. Like educational programs and other outreach activities, some of the earned income for touring has been provided through grants or contracts to sponsors for "purchase of services." In 1980, for the 30 Control Group I theatres, a total of 2,396 performances of 69 productions were offered on tour for an estimated audience of 890,889, representing a significant increase in activity over the previous year. Touring has become increasingly important for these institutions, with total income from this activity increasing by 46% between 1979 and 1980. While this income has corresponding expenses and provides little financial benefit to the core programs of these theatres, it is an important means to expand the audience and extend the employment of artists and the life of significant productions. Based on observation and reports from the field, however, the costs of travel and accommodations appear to be increasing at rates which may soon thwart further development of this activity.

EDUCATIONAL PROGRAM INCOME

Educational programs and outreach activities also experienced substantial financial growth in 1980, with a 31.4% change over 1979 (see Table 9). Among the 30 theatres in Control Group I, 19 earned an average of $103,996 in 1980 related to training programs and school or community services. This figure compares to an average income of $83,559 for 18 theatres in 1979. As with touring, some of this income is attributable to grants for "purchase of services."

BOOKED-IN EVENTS INCOME

Between 1976 and 1979, the income generated from booked-in events (film, dance, music, etc., as well as theatre) virtually doubled for Control Group I theatres.

The 13.6% decrease of income from this source in 1980 is not attributable to either a decrease in the size of audience or number of performances. In fact, the production data shows a 23% increase in attendance for booked-in events. It is conceivable that ticket prices were lower for attractions offered in 1980, but the more likely explanation is that ticket income gains in 1980 were insufficient to meet higher company touring fees and related presenting expenses.

In 1980, 15 theatres in Control Group I experienced an average income of only $128,904, a decrease of 13.6% from the previous year. If this trend continues, theatres may need to examine the overall cost of this activity and determine the cost-benefit ratio. In the past, this activity appeared to be a way to maximize utilization of facilities and resources, providing greater earnings to support core programs, but this may not turn out to be the case.

OTHER EARNED INCOME

The heading of "Other" earned income on Table 8 includes monies received from rentals, concessions, advertising, royalties, interest and endowment income, and in 1980 such miscellaneous earnings accounted for 7% of the total income for the 30 theatres in Control Group I. Although royalties represent only 0.3% of the total income in 1980 for these theatres, this income area requires particular attention.

There are some myths about royalty income (from subsequent stage productions, film, TV programs, recordings, etc.) from works initiated in nonprofit professional theatres which should be dispelled.

With the notable exceptions of A Chorus Line and Ain't Misbehavin' which have returned substantial income to the institutional theatres in which they were developed, royalty income from subsequent productions

TABLE 12

Royalty Income
(Control Group I)

	1976	1977	1978	1979	1980
Total	$78,740	$66,108	$117,548	$93,638	$138,464
# Theatres	10	8	10	12	12
Average/Respondent	$7,874	$8,264	$11,755	$7,803	$11,539

of new work has been minimal through 1980. (It should be noted that neither the New York Shakespeare Festival, nor the Manhattan Theatre Club is included in Control Group I, and royalties from the productions cited above are not studied here.) The total royalties received among all 30 theatres in Control Group I in 1980 was $138,464. This money is attributable to 35 plays originally produced by 12 institutions in this survey. Each play, therefore, returned an average of only $3,956 to the originating theatre last year. The average income for each of the 12 respondents was just $11,539. This is an increase from 1979 when the total royalty income was $93,638, with an average per respondent of $7,803; however, a total gain of less than $45,000 in the income of 30 theatres is hardly significant. There seems to be considerable misapprehension about this source of income, and the nonprofit theatre would do well to share the fact of the matter more widely.

Among the earned income from other sources, interest and dividends provided almost $1.2 million dollars for the 30 theatres in Control Group I, a 39% increase from 1979. This figure suggests, once again, that money is being very carefully managed. Four theatres within this control group have also established income-producing endowment funds, still a small number compared to the larger institutions in other art forms, but nevertheless an increase of one institution since 1979. The total earnings from endowments were less than $300,000, representing a 15.8% increase from the previous year in the average earnings derived from endowments. Concessions income decreased by 28%, while advertising and rental income experienced some increase at rates of 9% and 35% respectively.

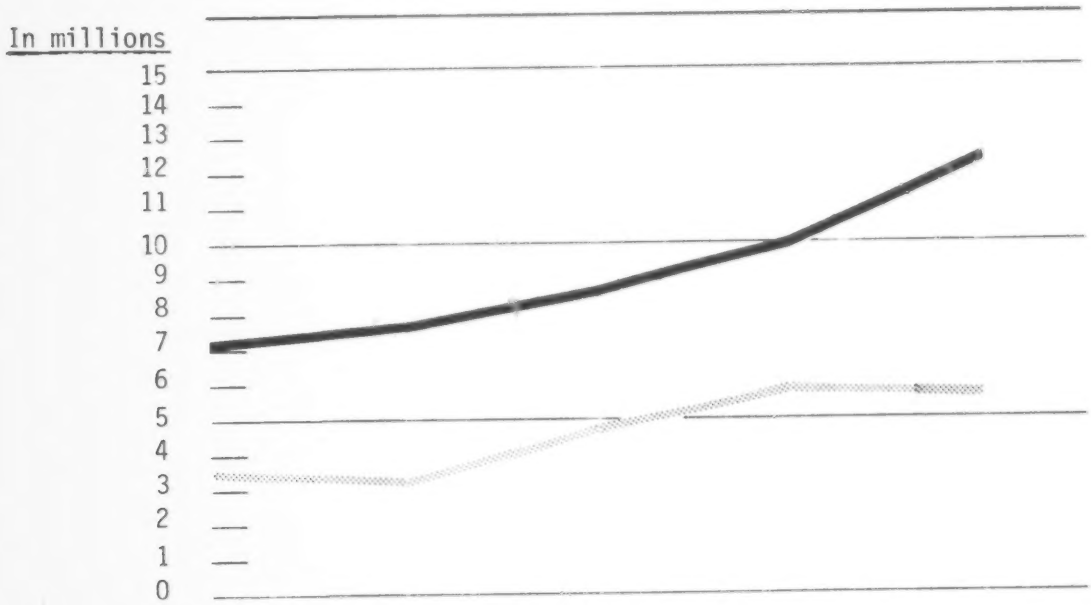
UNEARNED INCOME

As noted at the beginning of this chapter, the unearned income category was the only growth area in 1980, increasing by 13.5% from 1979. However, as shown in Table 7, the rate of growth in unearned income has dropped considerably during the last two years (22.1% in 1978 and 18.5% in 1979).

Of the major sources of direct funding studied in 1980, individuals ranked first, contributing $3,045,311 to the 30 theatres. Second in importance were foundations, granting $2,943,866 to the theatres, followed by the federal government with $2,813,424. Next were state agencies, corporations and city/county government. As a rule of thumb, contributions to the nonprofit theatre have followed a pattern of one-third from public sources and two-thirds from the private sector. Figure H traces the five-year picture of public and private funds.

FIGURE H

Comparison: Private & Public Support
(Control Group I)



In thousands	76	77	78	79	80
Private $	7,265	7,660	8,603	9,877	12,316
Public $	3,544	3,411	4,914	6,139	5,860

Private
Public

The graph line of total support from the private sector shows a reasonably consistent pattern of growth with notable acceleration in 1980. As will be seen later, there has been considerable fluctuation within this total. The more capricious behavior of public money, however, comes as a surprise. Substantial growth had occurred in 1979 as tax-based funds played catch-up with private support, before turning downward again in 1980. In 1979, public monies from federal, state, county and municipal sources together met only 12% of total expenses for the theatres in Control Group I. In 1980, this figure dropped even further to 10.9%, with federal support plummeting from the largest single source of direct support in 1979 to third place in 1980. Before the dollar loss and the percent reduction reaches a critical stage, it is perhaps wise to note the inconsistent behavior of such funding agencies and to call for more responsive programs that will permit long-range planning in a more stable atmosphere.

Table 13 indicates the percent changes over five years for federal, state and municipal support to these theatres and the compounded growth rates. No logical pattern presents itself within or among these headings. It is only possible to note that the compounded growth of state and municipal grants has out-performed federal contributions. Figure I reveals both the rise and fall of federal funds and the increasing role of state arts agency funds.

TABLE 13

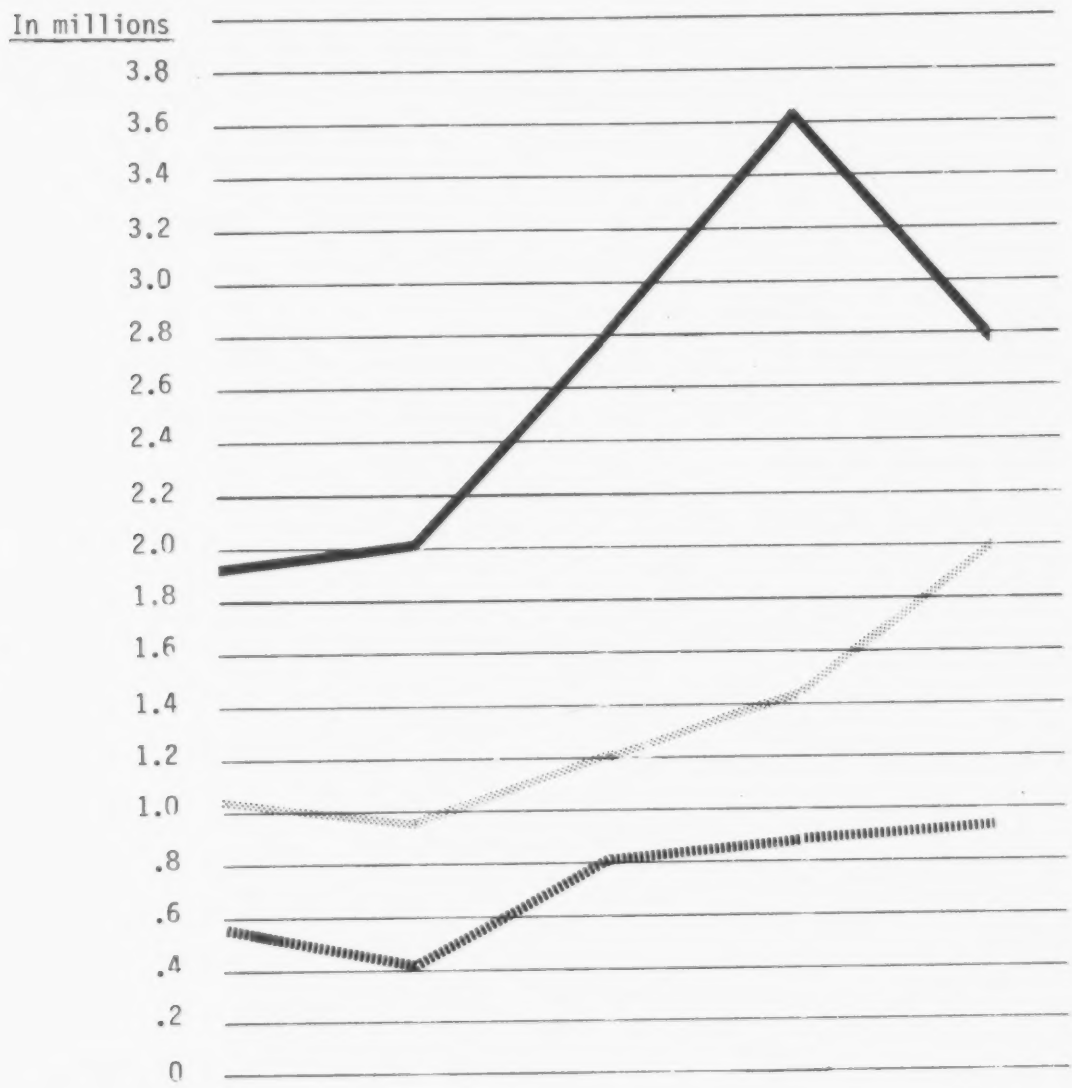
Percent Changes in Public Support
(Control Group I)

In percents

	75-6	76-7	77-8	78-9	79-80	CGR 76-80
Federal	4.2	2.8	40.1	29.5	-22.7	14.2
State	-1.2	-6.3	24.9	19.8	39.3	19.1
City/County	113.9	-25.8	100.3	5.6	5.0	19.1

FIGURE I

Comparison: Federal, State & Local Public Support
(Control Group I)

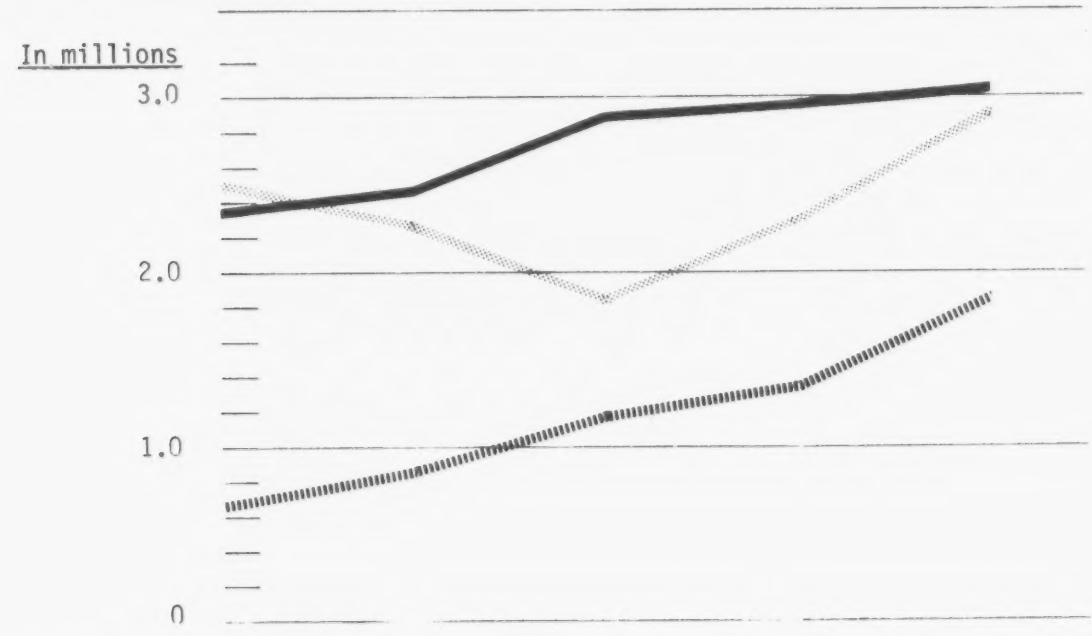


In thousands	76	77	78	79	80
Federal $	1,951	2,006	2,810	3,641	2,813
State $	1,030	966	1,206	1,445	2,014
City/County $	563	418	836	883	927

Federal
State
City/County

FIGURE J

Comparison: Individual, Foundation & Corporate Support
(Control Group I)



In thousands	76	77	78	79	80
Foundation	2,517	2,288	1,879	2,339	2,944
Corporate	697	840	1,180	1,372	1,831
Individual	2,372	2,488	2,930	2,969	3,045

Foundation
Corporate
Individual

TABLE 14

Percent Changes in Private Support
(Control Group I)

In percents

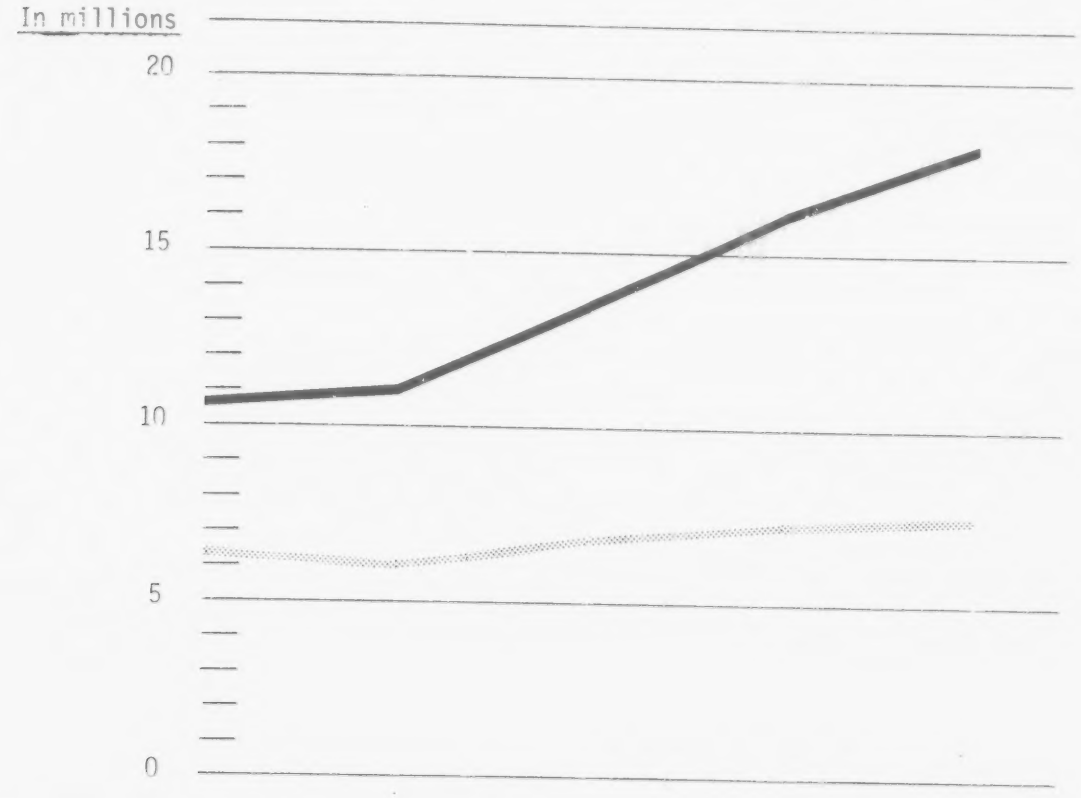
	75-6	76-7	77-8	78-9	79-80	CGR 76-80
Individuals	0.1	4.9	17.8	1.3	2.6	7.0
Foundations	26.9	-9.1	-17.9	24.5	25.9	3.4
Corporations	46.7	20.5	40.5	16.3	33.5	27.4

As Figure J illustrates, foundation support of 30 theatres in this control group declined between 1976 and 1978. Increases were experienced in 1979 and 1980, and total foundation assistance surpassed the 1976 level this year for the first time during the period examined here. Corporate support has increased rather steadily over the five-year period, going from $697,141 in 1976 to $1,831,199 in 1980, with a compounded growth rate of 27.4%. Individual contributions have experienced modest growth, but at an average annual rate well below inflation.

Examining Figure K, it is clear that, while unearned income has made significant gains in current dollars, there has been very little real growth in the constant dollars provided by grants and contributions. The 13.5% gain between 1979 and 1980 of current unearned income is virtually obliterated by the effect of the nation's economy, and the rate of growth in 1980 for constant dollars is just 0.4%.

FIGURE K

Unearned Income: In Current & Constant Dollars
(Control Group I)



In thousands	76	77	78	79	80
Current $	10,809	11,071	13,518	16,015	18,176
Constant $	6,317	6,063	6,872	7,299	7,329

Current
Constant

FEDERAL GOVERNMENT

The TCG Survey examines four areas of federal support to the nonprofit professional theatre: 1) National Endowment for the Arts Program funds; 2) NEA Challenge grants; 3) National Endowment for the Humanities grants; and 4) other federal funds. In 1980, the Humanities Endowment contributed less than $5,000 to only one of the 30 theatres in Control Group I, and no other federal sources (beyond the two Endowments) provided financial assistance to these theatres. Consequently, only Arts Endowment grants bear further study.

In 1980, as we have noted, the NEA dropped from first place as a source of unearned income in 1979 to third in 1980, and total federal support to theatres decreased by 22.7%. Though the Challenge grant program accounted for a large part of the decrease, grants provided through NEA Program funds for the basic activities of these 30 theatres also decreased by 2.1%.

Program funds covered only 4.6% of total 1980 expenses -- the lowest percentage of the five years studied. By itself, a small percentage drop is not of great significance; however, with the perspective of time, the erosion of federal support can be seen more clearly. In constant dollars, the 1976-80 compounded growth rate of NEA program support is -2.1%.

The total Endowment budget for programs increased from $109.6 million to $115.5 million in Fiscal Year 1980, a 5.4% gain. Consequently, it must be assumed that a choice was made to channel new funds in other directions. When the reduction of Program fund assistance is viewed in constant dollars as a decrease of 13.4% between 1979 and 1980 alone, the wisdom of this decision must be questioned.

Among the 30 theatres in Control Group I, many can be regarded as the flagships and national standard-bearers of American theatre. Many have now toured internationally to Eastern Europe, the Soviet Union, Hong Kong and Japan. In effect, these companies have become the collective national theatre of this country, and a reasonable level of participation by the federal government is long overdue. The litany of governmental funding of the performing arts in other countries is well known: suffice it to note that in 1980 the National Theatre of Great Britain received 59% of its total budget from the Arts Council of Great Britain, or 4,865,800 pounds. As public opinion polls continue to indicate a general willingness of the American public to see a greater share of tax dollars directed to the arts, the current trend is puzzling, frustrating and threatening to the survival of the performing arts.

NEA Challenge grant funds for Control Group I also decreased -- by almost $800,000 in 1980; however, these funds are intended to provide "one-time only" grants in substantial amounts, and considerable variation

between one year and another can be expected. Thus, there is little value in looking at any particular trends in this income category. It is of more interest to look at the relationship of this program to the total financial activities within the field.

Similar in concept to the Ford Foundation's tremendously helpful Cash Reserve program, Challenge grants were designed to stimulate new and increased private giving to the arts and to help stabilize the income base of major institutions. Like the Ford Foundation program, it was a visionary method of support which appears to have had significant impact. In years prior to the Challenge Grant program, the theatres in Control Group I experienced a total annual deficit position. The introduction to the mix in 1978 of Challenge money was followed in 1979 and 1980 by an annual surplus position (see Figure J). While there is insufficient evidence to comment on the role of Challenge grants in stimulation of individual, public or corporate giving, the complete turn-around in foundation support beginning in 1979 would appear to be directly related to this NEA initiative. Given the drop in earned income and the fact that grants and contributions were the only budget item to experience even minimal growth in 1980, the field's relatively secure position at this time probably owes much to this program. But, the other side of the coin requires examination, too.

As one-time grants of major proportion, the gradual or sudden removal of this new stimulus is inevitable. Without such challenges, the question is whether trustees and funding sources will sustain their increased efforts and giving. Can one-time grants insure long-term sustenance? The answer is probably no. The symptoms have been treated, but a cure has not been found. Because there is frequently a delayed reaction in judging the effects of financial changes on nonprofit organizations, the toll taken by the dual reductions in NEA Program and Challenge funds may only show up in 1981 and beyond.

STATE GOVERNMENT

The continued growth of state support for nonprofit professional theatre is to be commended. Total state giving to these theatres amounted to $2,013,859 in 1980, almost twice what it was in 1976 and up over 39% in the past year alone. In 1980, total state funds were only about $400,000 less than 1980 NEA Program funds. As a percent of expenses, state funds to these theatres increased from 2.8% in 1979 to 3.8% in 1980.

The bulk of this money is derived from state arts agencies, for which the five-year compounded growth rate is 17.1% (compared to only 7.4% for NEA Program funds). No doubt, a substantial amount of the overall gain relates to the 400% increase in appropriations received in California (in which four of the Control Group I theatres are located) where appropriations went from $1.4 million in 1979 to $7.2 million in 1980. For the first time in many years, California theatres are reporting significant grants for their primary activities.

Because state giving involves many different levels of appropriations and types of funding programs, it would be a mistake to assume that all theatres in this control group are experiencing roughly equivalent gains, but with the diminishing attention of the federal government to the financial needs of this constituency, it is perhaps time for the field to step up advocacy efforts on state levels.

In 1980, total appropriations to state arts agencies increased from $79.3 million to $97.3 million. While this represents an 22.7% increase, the theatres in Control Group I enjoyed a 31.4% gain in state arts agency support, indicating that more favorable priorities have been established than in the past, when professional theatre was not a significant beneficiary of funds in most states.

CITY/COUNTY SUPPORT

Among all unearned income sources, grants and contributions from local government rank last. A total of $927,000 was provided in 1980 to 15 of the 30 theatres in Control Group I from city or county funds, an increase of 5% over 1979. Although the amount of money is relatively small, this unearned income source has experienced a healthy compound growth rate of 19.1% over the last five years. However, as Table 13 shows, no consistent pattern of city/county funding has emerged. It should be noted that locally administered CETA funds are included here which comprise 20% of the 1980 total. Further reductions in federal appropriations for the CETA program will need to be offset by other income sources.

CONTRIBUTIONS FROM INDIVIDUALS

Gifts from individuals continue to provide the largest single share of unearned income for these theatres. More than 46,000 individuals contributed over $3 million in 1980, or 5.7% of expenses. However, as Table 14 indicates, the recent percent changes for individual contributions are very low. As those who are "in the trenches" well know, the time and cost related to securing numerous individual gifts is great. In general, the theatre has not enjoyed the same level of wealthy patronage which provides bedrock support for the opera, symphony and museum fields. The slow-down in growth of individual contributions may reflect the present squeeze on the middle-income family's disposable income. Without an increase in the average American's purchasing power, significant gains in this area should not be anticipated.

FOUNDATIONS

Foundations contributed $2.9 million in 1980 to Control Group I theatres, ranking second as a source of direct support. This income met 5.5% of expenses. Because foundation support has decreased substantially between 1976 and 1978, the compounded growth rate for the five-year period is only 3.4%. The return to 1976 levels in 1980 may be largely due to the impact of the NEA Challenge grant program in providing leverage for the raising of private funds. Supporting this idea, it can be noted that the number of foundation grants to these 30 theatres decreased between 1979 and 1980 from 420 to 390. For the moment, a fewer number of foundations are playing a greater role. There is the prevailing sense that a number of foundations have agreed to "play ball" with the federal government in helping to meet the matching requirements for a few years, but history suggests that foundations are largely uncomfortable with the role of providing ongoing support. With many societal needs, the desire to be responsive to new programs is understandable, but the performing arts seem left with the nagging questions of which contributors will be around in future years and how to budget for more than one year at a time.

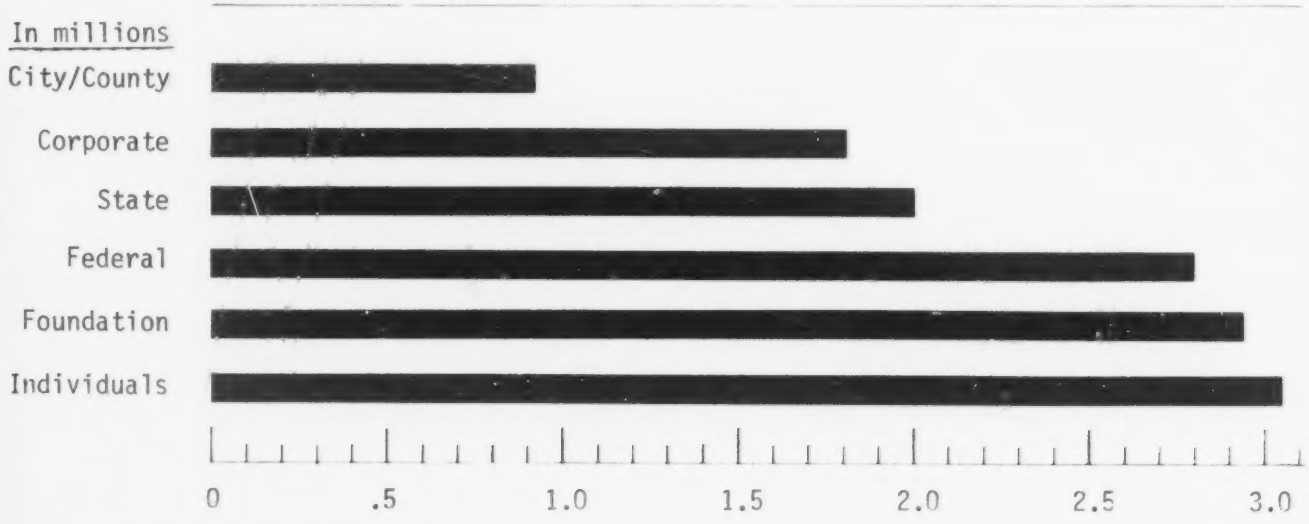
CORPORATIONS

Corporate support ranks fifth in relation to 1980 contributed income with a total of $1.8 million for 30 theatres, an increase of 33.5% over 1979. With steady gains in each of the five years examined, the dramatic 27.4% compounded growth rate is very encouraging. It is also encouraging to note that among 24 theatres receiving corporate assistance in 1979 and 1980, the number of contributions has increased from 1,621 to 1,923. Presumably, some new sources have entered the arena.

This area offers much hope for the future, but there are still numerous questions and problems. Corporate support has generally been narrowly tied either to special programs in corporate communities that may have impact on employees or to highly visible national and international projects which may have impact with stock holders and customers. These are understandable and legitimate concerns of business, but they mitigate the growth potential of institutions which do not fall within one or both of these interest areas. A second factor is that while business has the ability (and some financial incentive) to make charitable gifts of up to 5% of pre-tax earnings, corporate giving for all charitable purposes is still under 1% and fewer than 1% of American corporations are responsible for more than half the total amount. Of the estimated $436 million provided to the arts by corporations in 1979, $1.8 million or 0.4% was received by these theatres. The figures compiled by the Business Committee for the Arts indicate that only 7% of the total corporate arts dollars were provided to the entire theatre field, focusing more attention on the question of where and how corporate support is directed.

FIGURE L

1980 Ranking of Unearned Income Sources
(Control Group I)



In thousands	
City/County	927
Corporate	1,831
State	2,013
Federal	2,813
Foundation	2,944
Individuals	3,045

OTHER FUNDING SOURCES

Various theatres in Control Group I conduct special fund-raising events or have relationships with united arts funds and/or host institutions. (Host institutions include universities or performing arts centers which provide facilities, services and support to resident theatre companies.) This other unearned income, in the form of actual dollars or donated services and facilities, forms an important part of a segment of Control Group I's financial activity which is studied here.

Thirteen of the theatres in Control Group I participate in some type of united arts fund-raising. In general, the monies which are collectively raised through such unified campaigns come from individuals, municipal government, local business and foundations. Because of significant changes within the number of respondents to this income category, the TCG Survey can only accurately compare the relationship of united arts funds to the field in 1979 and 1980.

In 1979, the total UAF support of 13 companies was $2,133,794. In 1980, this amount increased by almost $1 million to $3,012,479, realizing a 41.2% rate of growth in just one year. The average income derived from this source by each of the 13 companies in 1980 was $231,729, compared to $164,138 in 1979. Recognizing that the distribution of monies within the united arts fund heading is collected on a "best estimate" basis, the respondents indicated that 85% of all UAF support is derived from local business and corporate sources. Gifts from individuals rank second at 11%. The growth of corporate support through united funds is particularly significant in relation to the rate of growth in direct corporate contributions to the 30 theatres in Control Group I.

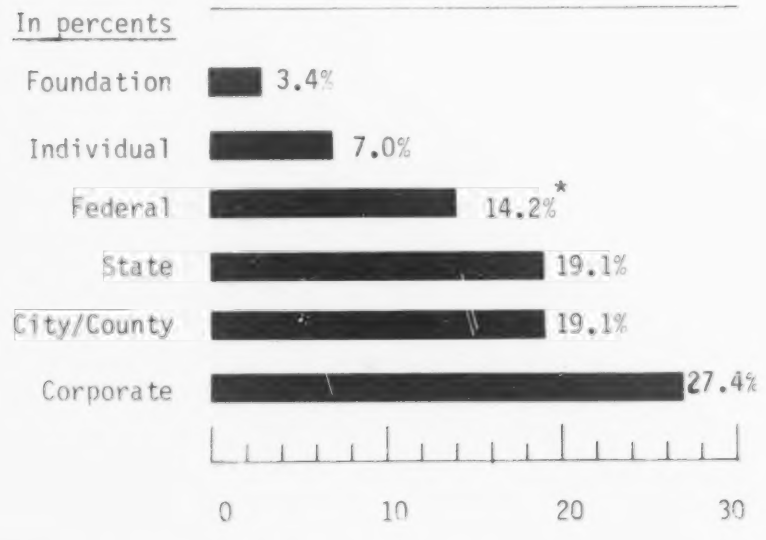
Fund-raising events, frequently conducted by volunteer guilds of resident theatre companies, generated over $800,000 in 1980 for 22 theatres in Control Group I. The average income derived by each of the 22 respondents was $37,233. The 1980 income from such activities was 11.2% higher than the 1979 level, and the compounded growth rate over five years was 16.2%. While the dollar amounts are relatively small, meeting only 1.5% of total expenses, fund-raising events and guild activities have demonstrated themselves to be a reliable ongoing source of support.

Six of the theatres in Control Group I received financial assistance from host institutions in 1980 for a total of almost $370,000. The average income from this source was $61,555.

Donated services and facilities appearing in 1980 audited statements amounted to almost $400,000, while three theatres reported unaudited donations valued at almost $420,000.

FIGURE M

Five-Year Compounded Growth Rates
of Unearned Income Sources
(Control Group I)



*7.4% without NEA Challenge Grants.

EXPENSES

Expenses for the 30 theatres in Control Group I increased by only 4.6% in 1980, compared to rates of 13 - 21% in previous years. This sudden and dramatic departure from prior patterns of growth underscores the increasingly sound management and fiscal responsibility of the nonprofit professional theatre. It suggests that survival in a time of economic distress was the watchword for planning and budgeting the 1979-80 season, a period in which expansion of programs, services and staff could not be considered. It is even more remarkable, with respect to planning, that the percent changes for total income and total expenses were identical. The clear inference is that the budgeted expenses were held to 1979 levels with the exception of necessary increments in the compensation of some categories of personnel.

Total salaries increased by only 6.5% in 1980. Between 1976 and 1979, salaries had decreased as a percent of total expenses, going from 58.2% to 55.9%. The increase in 1980 to 57% of expenses suggests that compensation of theatre artists and administrators had reached unusually depressed levels, requiring immediate attention and emphasis, especially in the face of the 12.7% rate of inflation.

It may also be the case that these theatres put off hiring additional full-time staff for as long as possible, and only recently engaged new administrative staff to cope with marketing and fund-raising problems.

Among all salaried positions, the administrative area experienced the greatest measure of financial growth in 1980 with a 14% change from 1979. This area likewise had the highest compound growth rate for the five-year period examined. While increases in levels of compensation are undoubtedly an important factor, it is likely that the major change in this expense category is due to the need for additional full-time staff to handle the increasingly complex financial activities of these growing institutions. The 1980 statistics show a 5.2% increase in the number of full-time administrative employees.

The 5.6% change in total salaries for artistic personnel in 1980 can be seen to relate to the 6% minimum wage increase set forth in contractual agreements with Actors' Equity Association for this period of time. The number of actors employed increased by 9% in 1980; however, the number of actor work-weeks decreased slightly -- from 22,125 to 22,003. The reduction of total employment weeks may be seen as the only alternative to meeting the cost-of-living increases required by Equity contracts during this period of limited financial growth.

The area hardest hit by "belt-tightening" in 1980 was that of production and technical personnel. Between 1976 and 1979, substantial increases had occurred in total salaries for this employment category. While the compounded growth rate for the five years examined stands at 16.5%,

total salaries for production/technical employees suffered a .1% decrease in 1980. Since the number of salaried individuals actually increased by 19%, compensation of production/technical personnel seems to be degenerating very seriously.

Because royalties to playwrights, composers and other creative theatre artists are tied to box-office receipts, it is of interest to note that increases in royalties exceeded the rate of growth in earned income. The total earned income of theatres in Control Group I was up by less than 1% in 1980, and, as shown in Table 10, box-office receipts declined. At the same time, royalties increased by 4.6%. The explanation for this increase may be that theatres produced a greater number of plays for which royalties were required and/or that higher percentages of gross receipts were demanded to secure the rights to certain plays.

All other expenses increased by only 2% in 1980, indicating that considerable economies were practiced in regard to physical production and overhead. As a percent of total expenses, a decrease of 1% occurred between 1979 and 1980 for all expenses other than personnel and royalties.

Figure N and Table 16 serve to illustrate that both staff salaries and all other expenses are diminishing in respect to the national economy. Salary expenses in constant dollars made small gains through 1979, but fell below the 1978 level in 1980. Likewise, all other expenses in 1980 continued to rise in constant dollars through 1979 before turning downward to 1978 levels this year.

TABLE 15

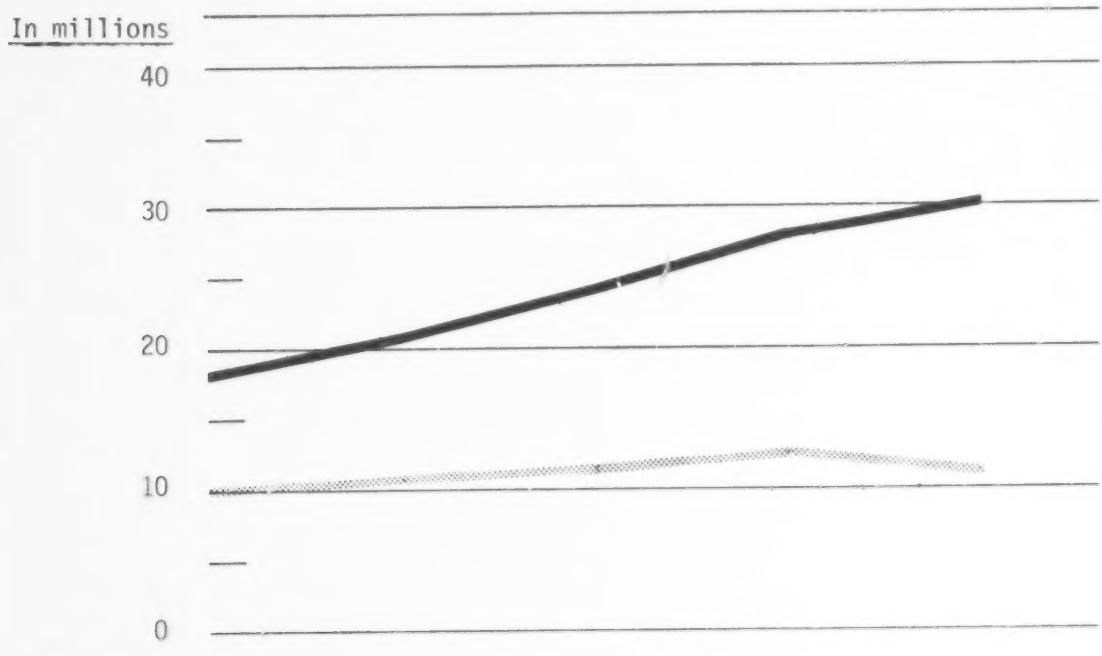
Total Expenses
(Control Group I)

$ in thousands

	1976	1977	1978	1979	1980	1980 % of Exp
Administrative Salaries	5,126	5,947	6,938	8,323	9,479	17.7
Artistic Salaries	9,334	10,414	11,974	12,817	13,537	25.3
Production Salaries	4,311	4,840	5,421	7,468	7,463	13.9
Total Salaries	18,771	21,202	24,332	28,608	30,478	56.9
Royalties	782	900	938	1,231	1,288	2.4
All Other Expenses	12,706	14,304	17,226	21,355	21,785	40.7

FIGURE N

Total Salaries: In Current & Constant Dollars
(Control Group I)



In thousands	76	77	78	79	80
Current $	18,771	21,202	24,332	28,608	30,478
Constant $	10,970	11,611	12,693	13,039	12,290

Current
Constant

TABLE 16

Percent Change & Compounded Growth Rate of Expenses
(Control Group I)

In percents

	% Change 1979-80	CGR 76-80
Administrative Salaries	13.9	17.0
Artistic Salaries	5.6	10.0
Production Salaries	−.1	16.5
Total Salaries	6.5	13.5
Royalties	4.6	14.0
All Other Expenses	2.0	15.9

CONTROL GROUP II: 30 SMALLER THEATRES

CONTROL GROUP II PARTICIPANTS

AMAS Repertory Theatre
Berkeley Repertory Theatre
Berkeley Stage Company
Body Politic Theatre
Colonnades Theatre Lab
The Cricket Theatre
CSC Repertory
East West Players
The Empty Space
Ensemble Studio Theatre
GeVa Theatre
Hippodrome Theatre Workshop
Honolulu Theatre for Youth
Interart Theatre
Intiman Theatre Company
Jean Cocteau Repertory
Julian Theatre
Lovelace Theatre Company
The Magic Theatre
Music-Theatre Performing Group/Lenox Arts Center
National Black Theatre
New Jersey Shakespeare Festival
Performance Community
Playmakers Repertory Company
Provisional Theatre
Theatre by the Sea
Theater for the New City
Theatre X
Victory Gardens Theater
Williamstown Theatre Festival

CONTROL GROUP II: 30 SMALLER THEATRES

The TCG Survey contains five years of back data for 30 theatres with budgets between $100,000 and $500,000. These institutions are requested to report only totals for earned income, unearned income and expenses, as well as the earnings gap and surplus or deficit position. This limited data collection permits analysis and discussion of the broad areas of financial activity for this group, and some fundamental differences between the two control groups can be observed.

TABLE 17

Total Income and Expense
(Control Group II)

$ in thousands

	1976	1977	1978	1979	1980
Earned Income	1,597	1,963	2,558	3,191	3,944
Total Expense	3,480	4,468	5,945	7.099	8,412
Income Gap	(1,883)	(2,505)	(3,387)	(3,908)	(4,468)
Unearned Income	1,734	2,395	3,147	3,785	4,417
Total Income	3,332	4,358	5,705	6,977	8,360
Surplus/Deficit	(148)	(110)	(240)	(122)	(52)

TABLE 18

Percent Changes in Income & Expense
(Control Group II)

In percents

	76-7	77-8	78-9	79-80	CGR 76-80
Earned Income	22.9	30.3	24.8	23.6	25.8
Total Expense	28.4	33.1	19.4	18.5	25.0
Unearned Income	38.1	31.4	20.3	16.7	26.2
Total Income	30.8	30.9	22.3	19.8	26.0

As Tables 17 and 18 illustrate, the theatres in Control Group II have maintained surprisingly consistent patterns of growth. The compounded growth rates of earned and unearned income are both in the 26% range, which is just slightly ahead of the compounded growth rate of 25% for expenses. Like their counterparts in Control Group I, these theatres

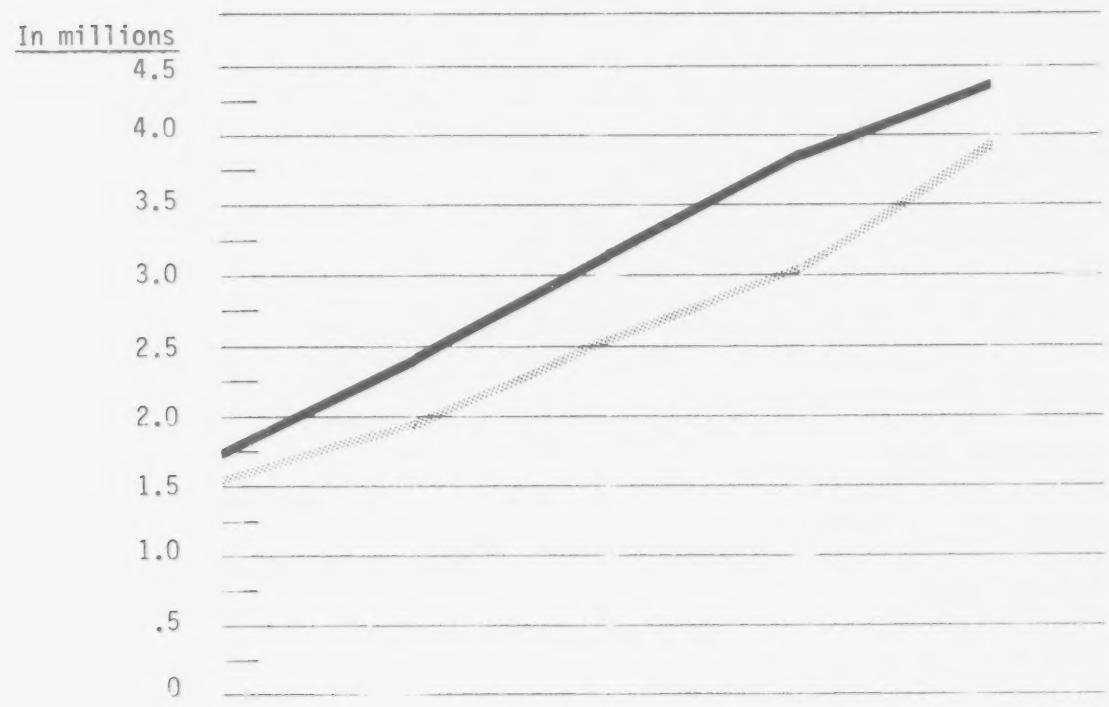
appear to have done their financial planning for the 1980 season on a conservative basis. While they were not able as a group to totally balance income and expenses, the deficit in 1980 was at its lowest for the five-year period. As an average, this gap between total income and expenses amounted to only $1,700. One can assume from the data that the same efforts were made to control expenses in 1980, but, in an environment in which salaries and production expenses are often necessarily kept at minimal levels, it is virtually impossible for these theatres to adopt cost-saving measures at the same rate as larger institutions might. The rate of increase is, therefore, more closely tied to the inflationary spiral of the national economy.

Among theatres with budgets less than $500,000, the relationship of earned and unearned income to total expenses differs considerably from the larger institutions. The theatres in Control Group II depend to a greater extent on grants and contributions to meet expenses. In 1980, earned income for the larger theatres in Control Group I met 67.6% of expense, while the corresponding amount in Control Group II was 46.9%.

Figure O reveals the almost parallel growth of earned and unearned income, while Figure P indicates the minor annual deviations between the two sources in meeting total operating expenses. Unlike Control Group I, earnings played a somewhat greater role in 1980 than in 1979, while contributions lagged a bit.

FIGURE O

Comparison: Earned & Unearned Income
(Control Group II)

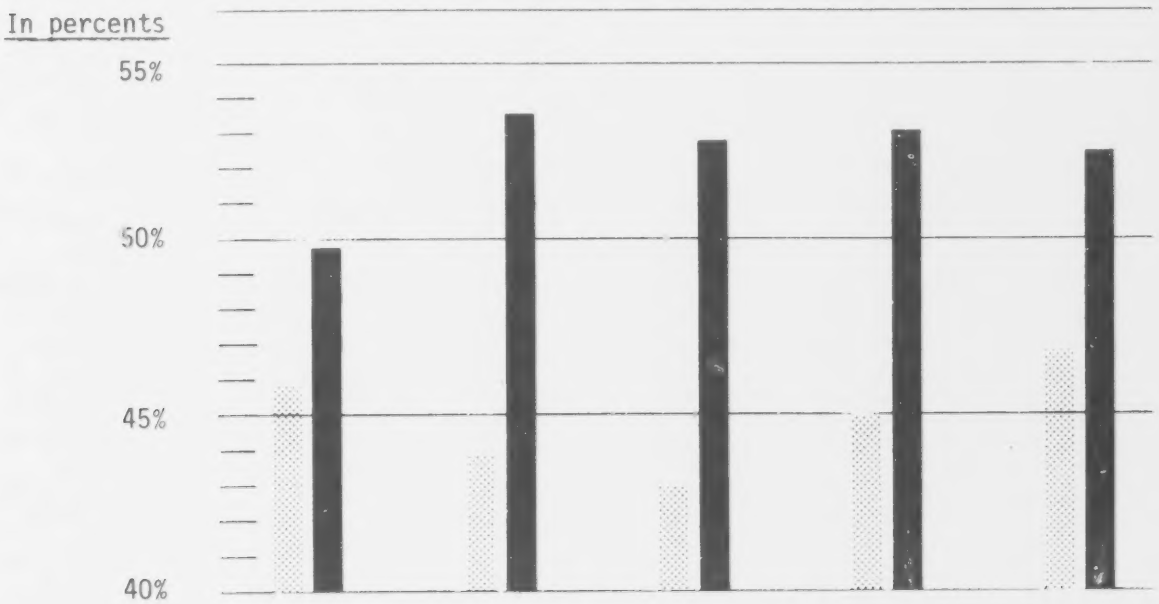


In thousands	76	77	78	79	80
Unearned	1,734	2,395	3,147	3,785	4,417
Earned	1,597	1,963	2,558	3,191	3,944

Unearned
Earned

FIGURE P

Earned & Unearned Income as Percent of Expenses
(Control Group II)



In percents	76	77	78	79	80
Earned	45.9	43.9	43.0	45.0	46.9
Unearned	49.8	53.6	52.9	53.3	52.5

Earned
Unearned

TABLE 19

Five-Year Averages of Income & Expenses
(Control Group II)

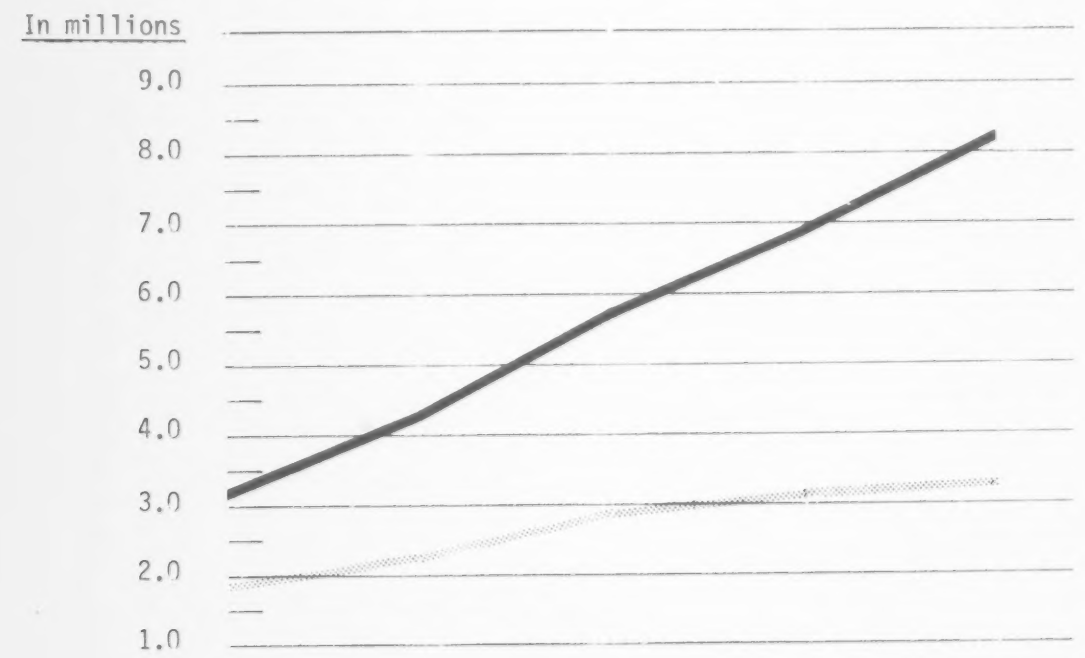
$ in thousands

	1976	1977	1978	1979	1980
Earned Income	53,247	65,432	85,263	106,376	131,462
Unearned Income	57,812	79,835	104,911	126,181	147,219
Total Income	111,059	145,267	190,174	232,556	278,681
Total Expense	116,001	148,930	198,156	236,631	280,398
Surplus/Deficit	(4,942)	(3,664)	(7,982)	(4,074)	(1,717)

The five-year growth of total income for Control Group II is quite dramatic, experiencing a gain of more than $5 million. When adjusted for inflation and viewed in constant dollars, actual growth is still visible, however not at the same astonishing rate. The compounded growth rate drops from 26% to less than 15% when adjusted according to the Consumer Price Index.

FIGURE Q

Total Income: In Current & Constant Dollars
(Control Group II)



In thousands	76	77	78	79	80
Current $	3,332	4,358	5,705	6,977	8,360
Constant $	1,947	2,387	2,900	3,180	3,370

Current
Constant

There are a variety of factors which contribute to the greater percentage gains made by this segment of the theatre universe. In relation to earned income, the production data for this group shows that paid attendance is just 68% of capacity. In addition, they may not be as close to the box office income peak as those in Control Group I, in that average ticket prices are substantially less, and the effect of price resistance may not yet have been felt. With average ticket prices ranging from $4.75 to $6.75, cost should not be a particularly inhibiting factor to audiences. In the area of unearned income, the 1980 average for theatres in Control Group II was $147,219. For such a relatively small aggregate, one or several new or increased grants of modest amount would cause substantial percent changes between years.

APPENDICES

APPENDIX A

CONSTITUENCY PARTICIPANTS

ALABAMA
Alabama Shakespeare Festival

ALASKA
Alaska Repertory Theatre

ARIZONA
Arizona Theatre Company
The Invisible Theatre

ARKANSAS
Arkansas Repertory Theatre

CALIFORNIA
American Conservatory Theatre
American Theatre Arts
Berkeley Repertory Theatre
Berkeley Stage Company
Dell'Arte
East West Players
El Teatro Campesino
Free Public Theatre Festival L.A.
Julian Theatre
Los Angeles Actors' Theatre
L.A. Theatre Works
The Magic Theatre
Mark Taper Forum
Old Globe Theatre
One Act Theatre Company
of San Francisco
Provisional Theatre
South Coast Repertory

COLORADO
Denver Center Theatre Company
Germinal Stage Denver
Steamboat Repertory Theatre

CONNECTICUT
Hartford Stage Company
Long Wharf Theatre
O'Neill Theater Center
Yale Repertory Theatre

DISTRICT OF COLUMBIA
Arena Stage
Folger Theatre Group
Living Stage
New Playwrights' Theatre

FLORIDA
Alice People Theatre
Asolo State Theater
Florida Studio Theatre
The Hippodrome Theatre
Palisades Theatre Company
Players Stage Theatre

GEORGIA
The Academy Theatre
Alliance Theatre Company/Atlanta
Children's Theatre

HAWAII
Honolulu Theatre for Youth

ILLINOIS
Body Politic Theatre
Free Street Theater
Goodman Theatre
North Light Repertory Company
Performance Community
Travel Light Theatre
Victory Gardens Theater

INDIANA
Indiana Repertory Theatre

KENTUCKY
Actors Theatre of Louisville
Horse Cave Theatre
Roadside Theater
Stage One: The Louisville
Children's Theatre

MAINE
Portland Stage Company

MARYLAND
Center Stage

MASSACHUSETTS
American Repertory Theatre
Boston Shakespeare Company
Music-Theatre Performing Group/
Lenox Arts Center
People's Theatre
StageWest
Williamstown Theatre Festival
Worcester Foothills Theatre Company

MICHIGAN
Attic Theatre
BoarsHead Theater
Detroit Repertory Theatre
Meadow Brook Theatre

MINNESOTA
Actors Theatre of St. Paul
The Children's Theatre Company
The Cricket Theatre
The Guthrie Theater
Playwrights' Center

MISSOURI
Loretto-Hilton Repertory Theatre
Missouri Repertory Theatre
Theatre Project Company

NEBRASKA
The Nebraska Theatre Caravan
Omaha Magic Theatre

NEW HAMPSHIRE
American Stage Festival
Theatre by the Sea

NEW JERSEY
George Street Playhouse
McCarter Theatre Company
New Jersey Shakespeare Festival

NEW YORK CITY
The Acting Company
AMAS Repertory Theatre
The American Place Theatre
BAM Theater Company
The Billie Holiday Theatre
Circle in the Square
Circle Repertory Company
Colonnades Theatre Lab
CSC Repertory
Ensemble Studio Theatre
The First All Children's Theatre
INTAR
Interart Theatre
Jean Cocteau Repertory
Manhattan Theatre Club
Medicine Show Theatre Ensemble
National Black Theatre
The National Shakespeare Company
The Negro Ensemble Company
New Dramatists
New York Shakespeare Festival
The Paper Bag Players
The Performance Group
Phoenix Theatre
Playwrights Horizons
Soho Repertory Theatre
Theater for the New City
Theater of the Open Eye

NEW YORK STATE
GeVa Theatre
PAF Playhouse
Starry Night Puppet Theatre
The Street Theater
Studio Arena Theatre
Syracuse Stage

NORTH CAROLINA
Playmakers Repertory Company

OHIO
The Cincinnati Playhouse in the Park
The Cleveland Play House
The Fairmount Theatre of the Deaf
The Great Lakes Shakespeare Festival

OKLAHOMA
American Theatre Company

OREGON
Oregon Shakespearean Festival

PENNSYLVANIA
The Independent Eye
The Iron Clad Agreement
Lovelace Theatre Company
Pennsylvania Stage Company
Philadelphia Drama Guild
Pittsburgh Public Theater

RHODE ISLAND
Looking Glass Theatre
Trinity Square Repertory Company

TENNESSEE
The Play Group
Playhouse on the Square
The Road Company

TEXAS
Alley Theatre
Dallas Theater Center

VIRGINIA
Barter Theatre
Virginia Museum Theatre
Wayside Theatre

WASHINGTON
A Contemporary Theatre
The Empty Space
Intiman Theatre Company
Seattle Repertory Theatre

WEST VIRGINIA
Theatre Arts of West Virginia

WISCONSIN
The Great-American Children's
Theatre Company
Milwaukee Repertory Theater
Company
Theatre X

APPENDIX B

GLOSSARY

Booked-in Events. Performances presented at or sponsored by, but not mounted by, the theatre.

CETA. Acronym for Comprehensive Employment Training Act, a salary subsidy program of the U.S. Department of Labor.

Compounded Growth Rate (CGR). A method of calculating the average annual rate of change in percent.

Constant Dollars. Dollars adjusted for inflation using the Consumer Price Index as the determinant.

Consumer Price Index (CPI). A method of measuring the change in the cost of typical wage-earner purchase of goods and services.

Current Dollars. The actual dollar amount without adjusting for inflation.

Donated Services/Materials/Facilities. Gifts in the form of salaries, materials, facilities, equipment or services that were donated to the theatres, given an estimated dollar value, and recorded in their audited financial statement.

Earned Income. Income received for services provided, such as subscription and ticket sales, touring fees and educational programs income (even where paid by a public or private funding source), interest, dividends, bookings, concessions, program ads, etc.

Earned Income Gap or Earnings Gap. Deficiency of earnings under expenses.

Income Surplus (Deficit). Excess (deficiency) of total income, both earned and unearned, over (under) expenses for the reporting year.

In-kind Contributions. See Donated Services.

Mainstage Season. The major series of plays and musicals offered by a theatre during the year.

Percent of Capacity. Proportion of available seats for which tickets are sold.

Private Funds. Contributions from nongovernmental sources of support, such as individuals, corporations and foundations.

Public Funds. Those monies granted from federal, state and city/county government agencies.

Real Dollars or Real Income. See Constant Dollars.

Royalty Expense. Amount paid to playwrights, translators, adapters, composers, librettists, lyricists and producers holding the rights to dramatic material, usually based on a percentage of box-office income.

Royalty Income. Subsidiary income derived from royalties on subsequent productions of work originating at nonprofit professional theatres, i.e. from commercial stage productions, films, television, recordings.

Subscriber. An audience member who buys a season or series ticket to attend all the events in that season or series.

Unearned Income. Income derived from grants and contributions.

United Arts Fund. A local organization which conducts a general fund-raising drive for all the arts and passes on the proceeds to specific organizations, i.e. orchestras, museums, theatres. It should be noted that this is "indirect fund-raising," since the original donors do not make the determination concerning the ultimate recipient but rather give to the drive as a whole.

APPENDIX C

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APPENDIX D

RELATED PUBLICATIONS

The statistical information contained in Theatre Facts 80 can more fully illuminate the nature and activity of the nonprofit professional theatre in the United States in conjunction with other TCG publications.

Theatre Profiles 4 provides statistical, historical and pictorial information on nearly 170 companies. Containing more than 400 photos, complete lists of recent productions, dramatists, directors and designers are provided. This publication offers an essential connection between the general experiences of the Survey universe and the particulars of each institution contained therein. $12.95

Pocket Theatre Directory 1980-81 offers contact information for all TCG Constituent theatres, including those in the 1980 Survey. $3.50

Theatre Communications is TCG's monthly newsletter, covering current resident and touring production schedules, fund-raising, legislation, marketing, community service, technology and general theatre news. This information provides a valuable means of connecting the 1980 data to the present activity of the nonprofit professional theatre. $18.00 for 12 issues

These publications may be ordered directly from the Publications Department, Theatre Communications Group, Inc., 355 Lexington Avenue, New York, NY 10017. All orders must be pre-paid.